

4/23/73

UNITED STATES OF AMERICA
ATOMIC ENERGY COMMISSION

In the Matter of)
) Docket Nos. 50-329A
CONSUMERS POWER COMPANY) and 50-330A
(Midland Units 1 and 2))

APPLICANT'S ADDITIONAL RESPONSES TO CERTAIN
ITEMS OF THE REQUEST FOR ADMISSIONS

Pursuant to Section 2.742(r)(1) of the Commission's Rules of Practice, Consumers Power Company ("Applicant") hereby attaches responses to those items in the Department of Justice's Request for Admissions ^{1/} to which the Board ordered Applicant to respond in its Order and Rulings dated April 5, 1973.

These responses complete Applicant's compliance with the Request for Admissions.

Respectfully submitted,

Keith S. Watson

ATTORNEY FOR CONSUMERS POWER COMPANY

April 23, 1973

1/ By order of the Board dated April 5, 1973, consideration of the interrogatories which accompanied the Request has been deferred (p.7).

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Applicant's Responses

21. Applicant admits that "dependable capacity" for a particular unit refers to the number of kilowatts that a generator (i.e. a generation unit) can be relied upon to generate continuously except for forced outage and scheduled outage for maintenance or other reasons.
22. Denied.
23. Based upon the Halperin and Adler method of analysis, Applicant denies that 10 megawatts of capacity would be available as firm.
83. Applicant admits this statement, if "coordinated development" means a situation where two or more electric utilities, insofar as is reasonably practicable, jointly plan the expansion of generating and major transmission facilities of each participating utility in such a manner as to provide the lowest practical over-all cost of electric capacity and energy to the participating utilities, consistent with a high degree of reliability.
84. Admit.
85. Applicant denies (a) because it considers only transmission of 138 KV and above to be high voltage. Applicant denies (b).

86. Denied.
87. Admit.
117. Denied. In this and subsequent responses, Applicant assumes that the Department's definition of "Gainesville formula" refers to a method whereby reserve percentage for each party to a reserve arrangement is the same regardless of the characteristics of each party's system.
118. Denied.
119. Denied. Except for first sentence.
120. Denied.
121. Denied. See response to 122.
122. Applicant admits only that the stated formula is used with systems to the South for the first 48 hours of emergency power. Applicant is aware of some reserve sharing arrangements involving other systems which provide otherwise, but lacks sufficient information to state whether the charge provided for in the MIIO Area Coordination Agreement is usual.
126. Denied.
127. Denied.
128. Applicant denies that the statement is true under all circumstances. (See response 117 for Applicant's understanding of the phrase "Gainesville formula.")

131. Applicant admits that under the Department's definition of "Gainesville formula" (see response 117), Holland's reserve requirement would be independent of the size of its largest generating unit, but lacks knowledge about the characteristics of Holland's system to comment as to Holland's ability to economically justify larger generating units thereunder. Such knowledge is not readily available to Applicant.
132. Upon information and belief, Applicant denies that the M-C Pool "consists of" Lowell, Zeeland, Hart and Portland if the quoted language connotes that they are signatories to the Pool agreement.
134. Applicant denies that such has occurred "over a period of years", if this language refers to occurrences prior to 1970.
135. Denied.
136. Applicant denies that it presently "sells" the M-C Pool firm power; Applicant and the Pool have no agreement concerning the exchange of power.
137. Denied. See response to 136.
138. Applicant admits that it did offer the "Holland formula" at one stage of negotiations, but notes the inaccuracy of the Department's reference to "a new interconnection arrangement." See response to 136.

141. Applicant lacks knowledge to determine whether the "Gainesville formula" (as defined in response 117) would enable the M-C Pool to economically achieve either of the mentioned objectives. Such knowledge is not readily available to Applicant.
142. Denied upon information and belief.
143. Applicant lacks knowledge to determine whether the "Gainesville formula" (as defined in response 117) would enable Lansing to install larger units than under its present agreement with Applicant, since this determination depends on numerous factors other than required reserves. Lansing has refused to answer Applicant's discovery to it and the requisite information is not otherwise readily available.
144. Denied except that Applicant lacks knowledge to comment upon the alleged Lansing reserve levels. See response to 143.
145. Applicant admits that it and Lansing discussed the "Gainesville formula" (as defined in response to 117) at one time during negotiations preceding the 1970 interconnection agreement. However, Lansing voluntarily abandoned the percentage of installed reserve approach, and proposed reserves be specified in terms of fixed amounts of spinning reserves.

146. Applicant lacks knowledge to determine to what extent, if any, Lansing could sell surplus power if interconnected with Applicant "on Gainesville formula terms." (See responses to 117 and 143.)
149. Applicant admits that, since Coldwater's municipal system has not since 1960 possessed generating capacity in excess of its demand, the Coldwater system has had no "coordinating power and energy" to exchange and Applicant has therefore not offered to exchange same with Coldwater.
150. and
151. Applicant admits use of the Halperin and Adler method under appropriate circumstances, assuming that this response does not connote exclusive use.
153. Denied.
154. Denied, since this statement is not true under all circumstances.
156. Denied.
157. Applicant denies that its sale of a portion of the capacity of the Ludington Plant constitutes "coordinated development", as defined in response 83. Applicant admits that it has only engaged in "coordinated development" with Detroit Edison.
158. Applicant admits the statement if "coordinated development" is defined as in response to 83.

159. Denied under all circumstances.
160. Applicant admits that its wholesale bulk power rates are based upon average system cost.
161. Denied.
162. Denied, since this statement would be false under certain circumstances.
163. Denied, if the question implies that only two types are available.
- 164 and
165. Applicant admits that the arrangements described in these questions could theoretically be compelled, but submits that such compulsion would be unwise and unlawful.
167. Upon information and belief, since 1960 Applicant denies that any contract provision with smaller systems has had the effect of restricting their interconnections with third parties.
169. Applicant admits subparagraphs (b), (c) and (e), denies (d), and is unable to admit (a) for lack of knowledge. See response to 143.
170. Admit, if "transmission system" does not connote all of each system's transmission lines.
171. Applicant denies that it has "coordinating" arrangements with the systems mentioned, assuming the word "coordinating" is defined here as it is in the Joint Document Request (p. 3).

177. Upon information and belief, Applicant admits the statement.
198. Applicant admits the statement, provided that it does not imply that these factors are exclusive.
199. Applicant admits only that it does not compete for loads in areas where it is not legally franchised to serve, including areas served by Alpena Power Company where Applicant is not so franchised.
201. Denied, upon information and belief.
213. Denied.
214. Denied.
215. Denied.
216. Denied, upon information and belief.
217. Admit.
218. Admit, assuming that the phrase "such integration" refers only to Applicant's system.
219. Admit.
220. Denied.
221. Denied.
223. Denied, upon information and belief, assuming that all systems with generation capacity may be considered "integrated systems".
224. Applicant admits the statement upon information and belief. See response to 132.

225. Upon information and belief, Applicant admits the statement except that it denies that Lansing has a "300 megawatt system," if this figure refers to generation capacity.
226. Admit, assuming that "near" may be defined as more than a few miles in some instances.
228. Denied upon information and belief.

STATE OF MICHIGAN)
) SS.
COUNTY OF JACKSON)

W. A. Kirkby, being duly sworn, says that he is an Attorney employed by Applicant Consumers Power Company, and that he has read the foregoing responses to items 21-23, 83-87, 117-122, 126-128, 131-132, 134-138, 141-146, 149-151, 153-154, 156-165, 167, 169-171, 177, 198-199, 201, 213-221, 223-226 and 228 of the Justice Department's Request for Admissions and Interrogatories as to Proposed Contentions, dated February 12, 1973, and that said responses are correct to the best of his knowledge and belief.

WA Kirkby

Subscribed and sworn to before me this 19th day of April, 1973.

Muriel J. Paquette
Muriel J. Paquette, Notary Public
Jackson County, Michigan
My Commission Expires: March 22, 1974

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CERTIFICATE OF SERVICE

I hereby certify that copies of APPLICANT'S ADDITIONAL RESPONSES TO CERTAIN ITEMS OF THE REQUEST FOR ADMISSIONS, dated April 23, 1973, in the above-captioned matter have been served on the following by deposit in the United States mail, first class or air mail, this 23rd day of April, 1973:

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