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Mr. Richard A. Miller
Executive Vice President
Cleveland Electric Illuminating Co.
P. O. Box 5000
Cleveland, Ohio 44101

Dear Mr. Miller

DAVIS-BESSE AND PERRY NUCLEAR POWER PLANTS

By letter of January 4, 1978, to Mr. Edson G. Case, Counsel for the City of Cleveland requested the Nuclear Regulatory Commission to begin compliance proceedings pursuant to 10 CFR §2.202. A series of follow-up letters by your Counsel and Counsel for the City of Cleveland was culminated by a letter dated February 3, 1976 to Mr. Case from Counsel for the City, with an enclosed copy of a transmission service schedule presumably filed with FERC, dated January 27, 1978. To assist us with our review of this matter, we would appreciate receiving information by March 6, 1978 in response to Enclosure "A" attached, in accordance with 10 CFR §50.54(f) of the Commission's rules and regulations. We are likewise requesting information from the City of Cleveland and are sending you a copy of that request. If you have any questions with respect to this letter, please call Mr. Argil Toalston, area code 301-492-8339.

Sincerely,

Signature

Jerome Saltzman, Chief
Antitrust & Indemnity Group
Nuclear Reactor Regulation

Attachment
Enclosure "A"

cc: William Bradford Reynolds, Esq. w/enclosure
Mr. Julius Ciaccia w/enclosure

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Enclosure "A"

TRANSMISSION SERVICES

The following questions apply to the January 27, 1978 Transmission Service Tariff (hereafter the January Tariff) filed by CEI with FERC.

1. Page 4 of the January Tariff states that it shall be in effect for one year, and thereafter for similar periods, etc. Immediately following, the Tariff states that it shall terminate on and after the date of the final NRC decision. Does this mean that it would continue to the end of the year and then terminate? If not, please explain.

Page 2 of the January Tariff refers to a 12 month (longer reservation time. If the reservation time extends beyond the one year period and/or the final NRC decision, would the Tariff remain in effect until the end of the reservation time? If not, please explain. If your answer is that the January Tariff could terminate before the end of the 12 month reservation time, what rate adjustments are provided for the shorter period of time:

- (a) if the power is not transmitted during the peak load period?
- (b) if the power is transmitted during the peak load period?

What is the reason for a 12 month reservation requirement rather than monthly reservation requirements?

2. The Perry antitrust license conditions state:

"Such wheeling services shall be available with respect to any unused capacity on the transmission lines of Applicants. . ."

If this unused capacity varies from month to month, in what way would a 12 month reservation be responsive to such a variation?

3. Page 3 of the January Tariff states that if transmission services are requested by Customer for any period of less than 12 consecutive months, that CEI shall offer transmission services under a compensatory contract or service tariff subject to the approval of the FERC. What is CEI's estimate of the time that would be required to prepare and put such a service schedule into effect? When were preparations first initiated that ultimately culminated in the filing of the January Tariff?

The Perry antitrust license conditions require wheeling with respect to any unused capacity. Without a filed rate schedule how would CEI provide such service during the interim period that would be required to put a service schedule into effect?

4. The January Tariff states on page 2 (deleting various conditions and exceptions):

"Transmission Service shall be provided by CEI from time to time, upon (i) written request by a Customer for the reservation of transmission capacity....and (v) concurrence by CEI from time to time, in the maximum amount reserved..."

Does CEI consider the above provision to be a firm commitment to provide transmission service to the City, or a commitment to provide transmission service only on an "if and when available" basis? If CEI does not consider this to be a firm commitment, then why is a reservation required? If CEI does consider this to be a firm commitment, then please explain the meaning of the phrase "from time to time" as initially used above. Could the second "from time to time" as used above occur during a reservation period or only prior to a reservation period?

5. What credit to the City is provided by the January Tariff if CEI does not have the transmission capacity to transmit the full amount of reserved power at a particular time?
6. The January Tariff states on page 2 that CEI shall be the sole judge with respect to transmission capacity. (Presumably as between CEI and the City, but not with respect to other authority) What standard does CEI plan to use to judge if the requested power can be transmitted as provided in the below quoted language from the January Tariff:
- (a) "within the limits of its transmission capacity... without undue interference with service to those interconnected systems"?
 - (b) "without imposing a burden on the system of CEI"?

The antitrust license condition standard for assessing capability is without "jeopardizing applicants' system.". Are the above limitations with respect to "undue interference" and "imposing a burden" consistent in CEI's view with the above license condition standard? Your views would be appreciated.

7. The January Tariff states on page 2 that certain concurrences by CEI will be required. What standard does CEI plan to use in

granting:

- (a) concurrence in the request?
- (b) concurrence by CEI in the maximum amount reserved and duration?

What steps are required to implement a reservation request? What is CEI's estimate of the time that would elapse between a reservation request and the actual transmission of the requested power?

8. The statement on page 2 of the January Tariff refers to

"interconnected systems the operations of which are conducted, in whole or in part, pursuant to the provisions of an agreement with CEI, including other members of the CAPCO group"

Please list and describe briefly all such operations, including appropriate references to the provisions of each agreement. Are there any provisions (of an agreement) which may limit CEI's ability to reserve and deliver power:

- (a) from PASNY to the City of Cleveland?
- (b) to or from other CEI interconnection points?

If the answer to (a) or (b) is yes, please identify the limiting provisions?

9. On Page 2, the January Tariff states:

"...without undue interference with service to those interconnected systems the operations of which are conducted, in whole or in part, pursuant to the provisions of an agreement with CEI, including other members of the CAPCO group."

Please comment on the consistency of the above provision in light of footnote 171 appearing in the initial decision at 5 NRC 257 beginning with: "The objective of this requirement...."

Also, please comment on the consistency of the above provision in the January Tariff in light of license condition No. 3 beginning with: "In the event Applicants must reduce wheeling services...."