

Regulatory Docket File



NUCLEAR REGULATORY COMMISSION



**IN THE MATTER OF:**

TOLEDO EDISON COMPANY and  
CLEVELAND ELECTRIC ILLUMINATING CO.

Docket Nos.

(Davis-Besse Nuclear Power  
Station, Units 1, 2 and 3)

50-346A

50-500A

50-501A

and

CLEVELAND ELECTRIC ILLUMINATING  
CO. et al.

(Perry Nuclear Power Plant, Units  
1 & 2)

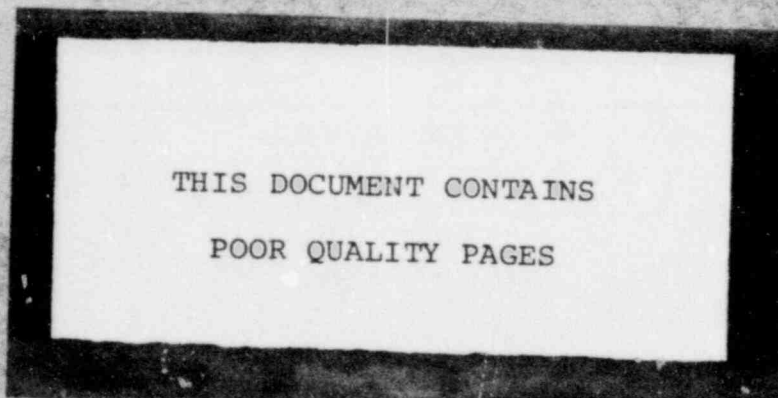
50-440A

50-441A

Place - Silver Spring, Maryland

Date - May 5, 1976

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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

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In the Matter of	:	Docket Nos.
	:	
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CLEVELAND ELECTRIC ILLUMINATING CO.	:	50-500A
	:	50-501A
(Davis-Besse Nuclear Power Station	:	
Units 1, 2 and 3)	:	
	:	
and	:	
	:	
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<u>et al.</u>	:	
	:	
(Perry Nuclear Power Plant	:	50-440A
Units 1 and 2)	:	50-441A
	:	
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First Floor Hearing Room  
7915 Eastern Avenue  
Silver Spring, Maryland  
Wednesday, May 5, 1976

The hearing in the above-entitled matter was reconvened, pursuant to adjournment, at 9:30 a.m.,

BEFORE:

MR. DOUGLAS RIGLER, Chairman

MR. JOHN FRYSIK, Member

MR. IVAN SMITH, Member

APPEARANCES:

(As heretofore noted.)

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C O N T E N T S

<u>Witness</u>	<u>Direct</u>	<u>Cross</u>	<u>Redirect</u>	<u>Recross</u>	<u>Voir Dire</u>
William G. Dempler	8664	8693			

<u>Exhibits</u>	<u>For Identification</u>	<u>In Evidence</u>
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DL 116, chart depicting component parts of Duquesne system		8695	8697
DL 117, No. 3524		8720	
DL 118, No. 3525		8720	
DJ 608, letter dated May 12, 1969, to Messrs. Gilfillan, Munsch and Cramer from Mr. Dempler		8727	
DJ 609, letter dated May 27, 1969, from Mr. Munsch to Mr. Cramer		8728	
DJ 610, multi-page document "Duquesne Light Company System Planning Dept., Borough of Pitcairn Participation in CAPCO."		8769	

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P R O C E E D I N G S

2 MR. OLDS: I don't think Mr. Dempler has been  
3 sworn. I think the witness should be sworn.

4 Whereupon,

5 WILLIAM G. DEMPLER

6 was called as a witness and, having been first duly sworn,  
7 was examined and testified as follows:

## DIRECT EXAMINATION

8 BY MR. OLDS:

9 Q Would you be kind enough to state your name,  
10 your residence and your position with Duquesne Light Company?  
11

12 A William G. Dempler.

13 I live at 3301 Comanche Road, C-o-m-a-n-c-h-e  
14 Road, Pittsburgh, Pennsylvania 15241.

15 My present position with Duquesne Light Company  
16 is System Planning Engineer in charge of the System Planning  
17 Department.

18 Q Mr. Dempler, would you be kind enough to state  
19 for the record the positions held by you with Duquesne  
20 Light Company since the year 1965 other than your present  
21 position, if any.

22 A Since -- in 1958 I was appointed System Planning  
23 Engineer and that has been my position to date.

24 Q From 1958?

25 A 1958 forward.



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1 Q What is your professional training?

2 A I graduated in 1937 from Carnegie Tech as an  
3 electrical engineer.

4 Carnegie Tech is now known as Carnegie-Mellon.  
5 I started to work with the Duquesne Light Company in 1937  
6 initially as a draftsman.

7 Then I was transferred in 1937 to the System  
8 Planning Department, and I have held various positions  
9 within the System Planning Department, starting out with  
10 junior engineer, senior engineer, development engineer,  
11 project engineer, and, as I indicated earlier, in 1958 I  
12 was appointed as Ssystem Planning Engineer.

13 Q Mr. Dempler, when the Borough of Pitcairn  
14 communicated with Duquesne Light in 1957 -- '67, I beg  
15 your pardon -- to request membership in CAPCO, did you  
16 make an analysis of the possibility of Pitcairn as a  
17 CAPCO member?

18 A Yes, I did.

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arl 1 Q Turning to the specifics of that analysis, what  
2 did you find was at that time the installed available  
3 reserve capacity of the Borough of Pitcairn?

4 A The total installed available capacity in the  
5 Borough of Pitcairn was 3.5 megawatts.

6 Q That was the total installed capacity. What  
7 was the installed reserve capacity?

8 A Installed reserve capacity was 1.8 megawatts.

9 Q The reserve capacity?

10 A 1.8 megawatts, correct.

11 Q How was that arrived at by you as a matter of  
12 analysis?

13 A As I indicated earlier, the total installed  
14 generating capacity, 3.5 megawatts, the indication we had at  
15 that time was that their maximum peak load was 1.7 megawatts,  
16 so that the difference there indicates 1.8 megawatts of  
17 installed reserve.

18 Q Was the 3.5 capacity figure summer or winter  
19 rating?

20 A That is a winter-rating figure.

21 Q What difference is there in the analysis of  
22 capacity between winter rating and summer rating?

23 A The best that I can find with respect to Pitcairn,  
24 their peak load is a summer peak so that the actual capacity  
25 or capability of their equipment at the time of the summer

1 peak would be something less than the 3.5 megawatts. I estimate  
2 it would probably be around 3 megawatts.

3 Q On that basis what would the installed reserve  
4 capacity be during the time of peak load?

5 A Approximately 1.3 megawatts, assuming all of their  
6 equipment was in operation. This is on an installed basis.

7 MR. LESSY: Could you repeat the question?

8 (Whereupon, the reporter read from the  
9 record, as requested.)

10 BY MR. OLDS:

11 Q From a planning standpoint, what figure did you  
12 consider appropriate to use as to Pitcairn's available  
13 installed reserve capacity?

14 A We would have to use the basic figures that I  
15 have referred to here.

16 Q Which one of the several figures you have given,  
17 the 1.3 difference between the summer capacity and the summer  
18 peak, or the 1.8 between the winter capacity and the summer  
19 peak?

20 A The more significant figure would be the 1.3  
21 installed reserve as related to the time of the peak.

22 Q At that time what was the planned installed  
23 reserve capacity of CAPCO?

24 A It is a little difficult to relate this exactly.  
25 At that time in 1967, we were not operating as a CAPCO

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1 combined organization. We had signed an agreement which  
2 provided for the construction of certain units and the first  
3 unit was scheduled and was put in service in 1971. So that  
4 it was not physically possible to operate as a CAPCO organiza-  
5 tion until 1971.

6 Q What was the planned reserve capacity at the time  
7 that CAPCO was planned to come into operation?

8 A The projected planned installed reserve for  
9 CAPCO was 1988 megawatts.

10 Q What was the percentage relationship of Pitcairn's  
11 reserve capacity as you have described it and the planned  
12 installed capacity of CAPCO?

13 A The available reserve from Pitcairn would be  
14 approximately nine one hundredth of 1 percent of the total  
15 available reserve.

16 Q Are you saying less than 1/10 of 1 percent?

17 A That's correct.

18 Q In your planning activity, your contribution to  
19 the determination of capacity reserve capacity requirements,  
20 was it possible to determine those requirements with a  
21 degree of accuracy which would recognize the variation of  
22 less than 1/10 of 1 percent?

23 A No, this was not possible.

24 Q Was it according to your analysis possible for  
25 the CAPCO reserve requirements to be reduced in any



1 perceivable amount by the availability of the Pitcairn  
2 installed reserve capacity you have described?

3 A No, it would not.

4 Q Mr. Dempler, at the time that you were making  
5 this analysis of the Pitcairn system and its relation to  
6 CAPCO, what was the operating reserve being maintained on  
7 the Duquesne Light system?

8 A Back in 1968, '69, the Duquesne Light operating  
9 reserve would be in the order of 150, 160,000 kilowatts.

10 Q Translate that into megawatts, if you would,  
11 please. We have been using those terms.

12 A 150 to 160 megawatts.

13 Q And what was the -- that was the operating reserve?

14 A That's correct.

15 CHAIRMAN RIGLER: Did you mean to have the  
16 witness answer for '68 and '69, even though you started  
17 out in '67?

18 MR. OLDS: We should get that straight, Mr.  
19 Rigler.

20 BY MR. OLDS:

21 Q When exactly with reference to the years '67, '68,  
22 were you giving consideration to this matter?

23 A I was considering it all through this period.  
24 The data which I finally crystallized and pulled together  
25 was pulled together in 1969, early part of '69

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1 Q Can you relate backward to the period of -- if the  
2 Board please, the evidence makes it very clear that the  
3 request of the Borough was submitted to the Company in  
4 December 1967, and the response of the company was made to  
5 that request in January of 1968.

6 I think that sets a time frame.

7 Mr. Dempler, are you able, on the basis of the data  
8 which you have collected, to state what the operating  
9 reserve was, normally maintained by Duquesne Light in the  
10 year 1968?

11 A It would be approximately the same value. The  
12 amount of operating reserve is really related to the largest  
13 unit you have operating and, in this time period, that would  
14 be the fourth Martin unit.

15 So that that would be approximately around 150  
16 megawatts.

17 Q Now, at the time that you were making this analysis,  
18 was it possible for Duquesne to predict within a variation of  
19 two megawatts, its system load requirements for any ensuing  
20 24-hour or shorter period?

21 A No, it is not possible.

22 Q Could you explain what the minimum variation  
23 and order of magnitude was that could be utilized in system  
24 load analysis and planning?

25 A Of course, you mention planning. In planning I'm

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1 more concerned with the longer range load forecast.

2 Q Then let me withdraw my question and direct your  
3 attention to system load analysis.

4 What was the minimum variation in order of  
5 magnitude that was utilized in analysis of prospective  
6 system load?

7 A In terms of day-to-day operation the forecasting  
8 of load for the next day, next week, in order to provide  
9 for the available capacity on the system, the estimated  
10 minimum error would be somewhere between 25 to 40 megawatts.

11 Q Mr. Dempler, if Pitcairn had made its installed  
12 reserve capacity, as you have described it, available  
13 to Duquesne, as operating reserve, would Duquesne have been  
14 able to delay the startup or remove from service  
15 earlier any of its generating units?

16 A No.

17 Q Would Duquesne under those same circumstances,  
18 that is, of Pitcairn making its installed reserve capacity  
19 available, have been able to reduce the amount of capacity  
20 it had to maintain as an operating reserve?

21 A I'm not sure I understand your question.

22 Q Let me rephrase it, I'm sorry.

23 I'm postulating the same circumstance. If  
24 Pitcairn had made available its installed reserve  
25 capacity to Duquesne as operating reserve, would Duquesne

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1 have thereby been able to reduce the amount of capacity it  
2 had to maintain on its own system as an operating reserve?

3 A No.

4 Q Turning to the larger area of CAPCO, in the planning  
5 of load and the analysis of load requirements, for the  
6 CAPCO pool, was it possible to predict load within the limits  
7 of variation of less than three megawatts?

8 A No.

9 Q If the Pitcairn installed reserve capacity  
10 had been made available to the CAPCO pool as operating  
11 reserve, would it have changed the operating order of any of  
12 the generating units of the CAPCO companies?

13 MR. LESSY: Objection. I think the testimony  
14 is that there wasn't any operating CAPCO capacity in 1968,  
15 and the question here is what if Pitcairn were made  
16 available to it.

17 The previous question went to planning. This  
18 one goes to operation.

19 I think there is an important difference here.

20 MR. OLDS: I will have to agree with  
21 Mr. Lessy, the witness has made clear already that at the  
22 time Pitcairn made its request, CAPCO was still, as a rather  
23 complicated arrangement, coming into existence, and there  
24 was not actually CAPCO operation.

25 I think the question is fair. I'm trying to ask,



bw3 1 however, the Witness to relate the availability of this  
2 reserve to the CAPCO pool, whether it would have permitted,  
3 I guess I should add at the time the CAPCO pool began  
4 operating, according to his knowledge, would it have  
5 permitted any change in the order of the operation of the  
6 generating units of CAPCO?

7 If the Witness will accept that modification,  
8 if he understands the question, I believe it is a fair  
9 question.

10 THE WITNESS: My answer is no.

11 BY MR. OLDS:

12 Q At the time of Pitcairn's request for CAPCO  
13 membership in December of '67, was Duquesne engaged in any  
14 program of coordinated maintenance with any interconnected  
15 system to Duquesne?

16 A In 1967, I would say to some degree, but not  
17 on a rather refined basis, under which we would operate  
18 under CAPCO.

19 On a major unit there is always an inherent  
20 attempt to coordinate with your neighbors, officially or  
21 unofficially, to minimize the effects of large unit  
22 outages.

23 Q Was it planned that under the CAPCO  
24 arrangement there should be coordinated maintenance?

25 A Yes, one of the features of the CAPCO arrangement

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1 is a rather comprehensive coordinated maintenance program.

2 Q How really does that work, and could you give us  
3 a general outline of the mechanism that was planned for  
4 CAPCO and, in fact, came into existence?

5 A The basic premise of a coordinated maintenance  
6 program was to so schedule the required maintenance outages  
7 associated with the generating units of all of the parties  
8 to reduce to a minimum the amount of capacity that is out of  
9 service at any one time.

10 This becomes particularly important when you  
11 are considering large unit outages, such as our Chestwick  
12 Unit, 570 megawatt unit, when that unit is out, it represents  
13 a substantial loss of capacity to not only Duquesne,  
14 but to the Pool also.

15 Q Under coordinated maintenance, Mr. Dampler,  
16 are outages scheduled specifically?

17 A Outages for the larger units are scheduled  
18 specifically.

19 Now, when you come down on to the smaller units,  
20 then these are not defined specifically, because the impact  
21 of the outage is less isgnificant.

22 Q What, when you speak of larger -- you obviously  
23 mean larger than something.

24 What was the break point in the CAPCO  
25 program for a specific scheduled outage and coordinated

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1 maintenance?

2 A I would say, as an estimate, a going in  
3 proposition, we were looking at units larger than 100  
4 megawatts would be specifically scheduled.

5 Units smaller than that would be included in the  
6 program, but not specifically identified.

7 Q Q How were they handled, the smaller units?

8 A They were generally handled by allowing a block  
9 of capacity associated with a given system which might be  
10 expected to be out of service for maintenance without  
11 specifically defining that block.

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arl: Q What was the range and size of the Pitcairn units?

2 A The smallest unit was .3 megawatts and their  
3 largest unit is 1.3 megawatts.

4 Q Would the availability of Pitcairn's units  
5 have changed the order in which Duquesne would schedule  
6 outages for maintenance of its units?

7 A No, it would not.

8 Q Would the availability of Pitcairn's units have  
9 reduced the -- let me withdraw that question.

10 Would the availability of Pitcairn's units have  
11 changed the order in which CAPCO would schedule units for  
12 outage for maintenance?

13 A No, it would not.

14 Q Would the availability of Pitcairn units have  
15 reduced the amount of capacity required by Duquesne to have  
16 installed on its system to allow for outages for maintenance?

17 A No.

18 Q Would the availability of Pitcairn's units have  
19 reduced the amount of capacity required to be maintained  
20 by the CAPCO pool to allow for outages for maintenance?

21 A No.

22 Q Mr. Dempler, what did the CAPCO pool arrangements  
23 contemplate as to the voltage of interconnections?

24 A The basic format of the CAPCO arrangement is to  
25 provide for a 345 kV transmission system to interconnect



1 the parties.

2 Q Does that mean that interconnections were  
3 contemplated at 345 kV?

4 A Yes, sir.

5 Q Did you make an estimate of the cost of installing  
6 a 345 kV interconnection between Duquesne and Pitcairn?

7 MR. LESSY: Excuse me. Could you indicate a time-  
8 frame, sir?

9 BY MR. OLDS:

10 Q At the time in question that we are talking about.

11 A We did make an estimate, although as a practical  
12 matter, it -- we did make an estimate, and I believe the  
13 estimate of cost was approximately \$1-1/2 million.

14 Q Now, Mr. Dempler, did you at or about the same  
15 time that we have directed your attention to, consider the  
16 question of the feasibility of effecting an interconnection  
17 between Duquesne and CAPCO?

18 I beg your pardon, between Duquesne and Pitcairn?

19 A Yes, I did.

20 Q Were the considerations that you analyzed different  
21 in any significant respect from those which you have described  
22 as those studied by you with reference to the application of  
23 Pitcairn for membership in CAPCO?

24 A The considerations were the same.

25 Q At the time that you were making this study of the

1 possibility of interconnection, did Duquesne Light have a  
2 demonstrated need for dead-start capacity?

3 A No, it did not.

4 Q Perhaps it would be well if we made sure on the  
5 record what you mean by dead start.

6 A Dead-start capacity postulates that a situation  
7 has arisen whereby as a result of a series of circumstances,  
8 a system such as Duquesne would be completely shut down.

9 Now this has never happened on the Duquesne  
10 system. It did happen, of course, in the Northeast. It has  
11 not ever happened on the Duquesne system.

12 Q What were the resources available to Duquesne at  
13 this time period to effect a dead start?

14 A We had available to us interconnections with --  
15 interconnection with Allegheny Power System. We have inter-  
16 connections with Pennsylvania Power. We have capacity  
17 available from one of our major customers, St. Joe Lead, and  
18 in addition to that, we had built into our Coalfax Power  
19 Station as part of the basic station design, installed small  
20 turbine generators, small turbine generators of sufficient  
21 capacity so that one of the boilers could in fact be fired  
22 by hand to generate enough steam to operate the small turbine  
23 generators and provide sufficient station service to that  
24 station to actually get it off the ground, and then from  
25 that you would bring the rest of the system back.

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1 Q Mr. Dempler, how much capacity, before we pass  
2 from this area, did Duquesne have available from its  
3 customer, St. Joe?

4 A 25 megawatts.

5 CHAIRMAN RIGLER: Are you interconnected with St.  
6 Joe?

7 THE WITNESS: Yes, sir. We are connected with them.  
8 They have two generating units and we essentially take their  
9 surplus.

10 At the same time, on occasions we supply them  
11 firm load.

12 CHAIRMAN RIGLER: Is that a synchronous inter-  
13 connection?

14 THE WITNESS: Yes, sir.

15 CHAIRMAN RIGLER: So it is operated on an open  
16 switch basis?

17 THE WITNESS: No, sir.

18 CHAIRMAN RIGLER: It is not?

19 THE WITNESS: It is operated on a closed switch  
20 basis, synchronous. Synchronous operation is a closed  
21 connection, it runs continuously closed.

22 BY MR. OLDS:

23 Q Mr. Dempler, if at the time of Pitcairn's request  
24 for an interconnection Duquesne had suffered a dead-out  
25 on its system and faced the necessity for so-called dead

1 start, was the available installed capacity, reserve  
2 capacity of Pitcairn sufficient to accomplish a dead  
3 start on the Duquesne system?

4 A The availability of the installed reserve would  
5 be completely inadequate to effect any kind of assistance  
6 whatsoever.

7 Q If Pitcairn had dumped its entire load and made  
8 its entire capacity available, not just its reserve capacity,  
9 but its entire capacity available, would Pitcairn's  
10 capacity have been adequate to effect a dead start on the  
11 Duquesne system?

12 A We checked this out at the time in relation  
13 to two of our stations, principally Coalfax and our  
14 Elrama station, and it would be physically impossible to  
15 provide any capacity for a dead start from Pitcairn to  
16 Coalfax.

17 Q You say "any" capacity. Do you mean any capacity,  
18 or sufficient?

19 A Any capacity. In fact, if we attempted it, the  
20 required transformer excitation line, excitation line  
21 back to Pitcairn to Coalfax that no load excitation  
22 requirement would have overloaded thermally their generators  
23 by a factor of approximately three to one.

24 The current load on their generators would be  
25 approximately three times normal.



1 Q The word you were using is excitation; is that  
2 correct?

3 A That's correct.

4 Q Why did you analyze for Coalfax and Elrama?

5 A Those were the two nearest generating stations on  
6 the Duquesne system to the Pitcairn location. If this were  
7 to be feasible, that would be the logical use. The situation  
8 at any other station would be actually much worse.

9 Q You did not finish with your analysis as to Elrama.  
10 You only described the situation at Coalfax. What was your  
11 analysis of the possibilities at Elrama?

12 A At Elrama we had two problems:

13 One is the requirement for start-up of one of the  
14 largest motors on the station service at Elrama, which is a  
15 thousand horse power motor. That start-up on starting  
16 current would have overloaded the total installed generating  
17 capacity of Pitcairn by a factor of 2-1/2 to one. It would  
18 be highly questionable as to whether we could physically  
19 start that motor.

20 Assuming we did get over that hurdle and we are  
21 able then to start up the other motors associated with station  
22 service, the minimum load requirement placed on the Pitcairn  
23 generators would be approximately -- would result in approxi-  
24 mately a 50 percent overload on their generators, assuming  
25 they had interrupted their own load.

1           If they continued to try to carry their own  
2 load, that overload would be probably closer to 100 percent.

3           Q       Mr.Dempler, if Pitcairn had been interconnected  
4 with Duquesne, would the Pitcairn installed reserve  
5 capacity have served any useful purpose to Duquesne in  
6 the event of some interruption of distribution circuits in  
7 adjacent communities as, for example, Monroeville?

8           A       No. As a practical matter, no.

9           Q       Could you explain why not?

10          A       We have various lines, distribution, sub-  
11 transmission lines in the area. The amount of capacity that  
12 we are talking about here in terms of 1 megawatt, in case of --  
13 well, say, in case of opening of one load to placing a load on  
14 a remaining line, we have more capacity than that readily  
15 available in terms of emergency capacity.

16                If we picked out one or two particular customers-  
17 in the particular area and tried to isolate them and  
18 match their requirements to Pitcairn, this would require  
19 switching in the field, and my own appraisal is if we  
20 had trouble like a line down or something of this nature,  
21 that required precipitating that requirement, we could  
22 repair the line quicker than we could do these kind of  
23 switching requirements. As a practical matter, it would have  
24 little use to us.

25

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1 Q In your analysis of the feasibility,  
2 practicality and desirability of either interconnection  
3 with Duquesne alone or interconnection with CAPCO for  
4 Pitcairn, did you analyze any other possible contributions  
5 of Pitcairn?

6 A One other possible contribution is in the area  
7 of whether they could, in fact, contribute any energy to the  
8 systems and comparing their cost of production, their energy  
9 costs at that time was around 15 mills.

10 Duquesne corresponding cost range at that time  
11 ranged from two to five mills.

12 So that as a source of energy, it was approximately  
13 two and a half times the cost of anything on the Duquesne  
14 System, and I would say at that time, that ratio  
15 existed in relation to available energy from other sources,  
16 such as the interconnection.

17 So that it had no practical value to us.

18 Q Did you analyze the possibility of contribution  
19 by the Pitcairn system to peaking demands?

20 A Specifically in terms of peaking, I believe  
21 what you would be getting into is the requirement for either  
22 on a -- requirement for meeting your operating reserve.

23 Again, this comes down to the size, if you are  
24 rating equipment to meet a peak load, the units we must deal  
25 with are so large, compared to Pitcairn, that no, we would

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1 get no effective reduction in our requirements to provide  
2 peaking capacity.

3 Q Mr. Dempler, did you participate in, on behalf  
4 of Duquesne, discussions with the Borough of Pitcairn con-  
5 cerning a possible connection between the systems of  
6 Duquesne and Pitcairn in the years 1970, '71, '72?

7 A Yes, I did.

8 Q At those meetings did Pitcairn express an interest  
9 in the possibility of what is called parallel operation or  
10 synchronous interconnection between the two systems?

11 A They had indicated -- well, as I recall it, they  
12 indicated they had intended to operate in parallel, yes.

13 Q Mr. Dempler, I'm not quite sure how that answer  
14 came out, because you changed somewhat in the middle of the  
15 stream.

16 Could you restate your answer so that it is  
17 perfectly clear? Did they or did they not indicate an  
18 interest in operating in parallel?

19 A Yes.

20 Q Now, so that it is clear on the record, would  
21 you explain what you mean by operating in parallel?  
22 As it applied to the particular context of the Pitcairn  
23 connection.

24 A In terms of operating in parallel, we -- if  
25 we were supplying Pitcairn, they could, in effect, run their

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1 generating capacity in parallel with Duquesne, and the  
2 net supply, for example, that would come from Duquesne would  
3 be the net difference between their load requirements and  
4 whatever they chose to generate locally.

5 Q What are the basic electrical requirements for  
6 so-called parallel operation, as you have described it?

7 A As I have described it, there are basic  
8 requirements to be built into the connection to a customer  
9 of this nature.

10 Mainly, as related to relaying, and metering, and  
11 as sectionalizing -- additional sectionalizing facilities  
12 to provide for adequate clearance in the event of line work,  
13 and this type of thing, to recognize, for example, the  
14 potential for feedback from the Pitcairn system into  
15 the Duquesne Light lines.

16 Q What were the hazards to the Pitcairn system in-  
17 herent in a synchronous connection?

18 For example, suppose their generators got out  
19 of phase with Duquesne Light. What could happen?

20 A Well, I would have to assume that they would have  
21 sufficient control equipment on their system that, in the event  
22 of their units becoming out of phase, they would be,  
23 in fact, tripped off.

24 Q What would happen, if they did not have such --

25 A If they did not --



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1 MR. LESSY: Excuse me. That is the different  
2 question.

3 Let him answer this question and then come  
4 back to your other one.

5 MR. OLDS: Excuse me, Mr. Lessy. I think my  
6 question is fair, and I would like to get that point  
7 established at this juncture.

8 Perhaps the reporter can reread to Mr. Dempster  
9 my original question.

10 That will still your concern, Mr. Lessy also.

11 (The reporter read the pending question  
12 as requested.)

13 MR. LESSY: That question doesn't assume whether  
14 or not the protective equipment that would be required  
15 had or had not been installed.

16 The Witness started answering the question --  
17 he said, assuming protective equipment had been installed  
18 of such and such, and then he was interrupted and they said,  
19 assume it wasn't installed.

20 Well, they won't synchronize intertie, unless  
21 it was installed.

22 I think both questions are relevant, and I would  
23 like both answers.

24 MR. REYNOLDS: I object to this.

25 MR. OLDS: I think we can state straighten this

bw6

1 out easily.

2 MR. LESSY: I have an objection.

3 CHAIRMAN RIGLER: I will permit him to rephrase  
4 the question, which he is about to do.

5 BY MR. OLDS:

6 Q What were the possible hazards to the Pitcairn  
7 system from a synchronous interconnection?

8 MR. LESSY: I object that that question is not  
9 clear as to at what point the hazards would occur.

10 If the question is what are the hazards to the  
11 Pitcairn system with synchronous interconnection, if Pitcairn  
12 did not have protective equipment, that is a reasonable  
13 question.

14 The question is ambiguous, as it is stated now.

15 That is why we got on two tracks at once.

16 CHAIRMAN RIGLER: You can clear it on cross,  
17 if you wish, if you don't think it is clear by Mr. Olds  
18 now.

19 THE WITNESS: May I have the question again?

20 (Whereupon, the reporter read the pending  
21 question.)

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arl 1 THE WITNESS: The possible hazards would be  
2 complete ruining of their equipment unless it was adequately  
3 protected.

4 BY MR. OLDS:

5 Q What could cause such ruination to take place?

6 A If in a synchronous system of this nature, if you  
7 have one machine out of phase, this subjects that machine  
8 periodically, cyclically, to tremendous surges of power  
9 from the machine and back into the machine, and literally  
10 you will tear the machine apart.

11 Q Was the Pitcairn system provided with protective  
12 equipment to permit synchronous operation?

13 MR. LESSY: By "provided with," do you mean did  
14 it have? When you say "provided with" -- I think that  
15 what you mean -- did the Pitcairn system have protective  
16 equipment?

17 MR. OLDS: I'm happy to adopt your suggestion,  
18 Mr. Lessy. That is exactly what I meant.

19 THE WITNESS: To the best of our  
20 appraisal at the time, we felt that their system as it  
21 existed then was completely inadequate from this standpoint  
22 and also from the standpoint of short-circuit problems.

23 BY MR. OLDS:

24 Q Now at the time when there were discussions  
25 occurring on the subject of a possible connection between

1 the two systems, were these matters pointed out to Pitcairn  
2 by you?

3 A Yes, sir.

4 Q Did you describe specifically to Pitcairn the  
5 kind of protection required in the two principal areas  
6 you have mentioned, the maintenance of phase precisely,  
7 and the short-circuit protection?

8 A I did not describe what I felt they should have.  
9 I did not really know specifically what their situation  
10 was. I indicated to them that based on what limited  
11 knowledge I had, I had a fear that there was deficiencies  
12 in this area, and I strongly suggested to them that they  
13 secure appropriate qualified people to analyze their  
14 situation if this was the type of operation they were con-  
15 templating.

16 Q Was it necessary for Duquesne Light to approve  
17 any provisions that they made for short-circuit protection?

18 A Only to the extent that it might -- consequent  
19 cost of a failure to dramatically provide facilities as  
20 necessary might reflect onto Duquesne in some way.

21 But, basically, no, we would have no jurisdiction  
22 over what they had on their system or did not have on their  
23 system.

24 Q Did Pitcairn make any statement or submission  
25 to Duquesne of its plans for the installation of the requisite

1 protective devices and equipment?

2 A Not to my knowledge.

3 Q Did you make analysis of the cost involved to  
4 Pitcairn in providing the protective equipment?

5 A No, not in providing the protective equipment  
6 for Pitcairn, no.

7 Q Did you make any cost analysis related to the  
8 interconnection?

9 A There were various cost estimates made for  
10 proposed connections and these ranged, I believe, from a  
11 minimum of around \$135,000 up to, as I indicated earlier,  
12 to the ultimate of -- well, I think 138 was probably around  
13 \$350,000 as I recall.

14 Q Mr. Dempler, you are going to have to explain  
15 that answer a little more. I have a feeling when you refer  
16 to 138, you are not talking in terms of dollars, but some-  
17 thing else.

18 A 138 kV.

19 Q What was the hundred thousand plus figure related  
20 to?

21 A The \$135,000 estimate was the cost of providing a  
22 23,000 volt interconnection or connection.

23 Q What was involved? What were the components of  
24 that cost, principal components?

25 A The principal components would be an



1 extension of a line from our supply point over into the  
2 Pitcairn -- I believe it is over to the Pitcairn power  
3 station with a suitable transformer to step down the  
4 voltage from 23,000 volts down to their distribution voltage,  
5 which at that time was 2400 volts. Plus the metering  
6 equipment, plus a breaker or some kind of interrupting  
7 device on the feed.

8 Q Now you also mentioned a figure of \$350,000 for 138.  
9 What were you referring to there?

10 A Well, there is a potential for interconnecting  
11 through our 138 kV transmission system and this, of course,  
12 would be substantially higher cost. It would also be a much  
13 higher capability interconnection or tie.

14 In my opinion, of course, it would not be practical  
15 or would be considerably much greater than anything Pitcairn  
16 could require.

17 MR. LESSY: Would you repeat that answer, please?

18 (Whereupon, the reporter read from the  
19 record, as requested.)

20 BY MR. OLDS:

21 Q Mr. Dempler, it would be helpful to the record  
22 if you make your reference to capable a little clear.  
23 What do you mean when you refer to the capability of  
24 such a connection?

25 A Well, a capability -- the capability of 138 kV

1 line would amount to approximately 300 megawatts.

2 Now in consideration of their total load of 1.7  
3 megawatts, obviously this would be not an appropriate  
4 thing to do.

5 Q Did you say 300 kilowatts or 300 megawatts?

6 A 300 megawatts.

7 Q Mr. Dempler, did you, at my request, review the  
8 testimony of William Bingham of CEI, previously given in this  
9 record?

10 A Yes, I did.

11 Q Directing your attention to that portion of his  
12 testimony -- incidentally, I would like to state for the  
13 record, Mr. Rigler, that it appears between pages 8153 and  
14 8306 of the record.

15 Directing your attention to that portion of  
16 Mr. Bingham's testimony which described the mode of operation  
17 of the Cleveland Electric Illuminating system and its inter-  
18 connections, its transmission, subtransmission, distribution  
19 characteristics, would you please state whether that  
20 testimony reasonably describes the mode of operation of the  
21 Duquesne Light system?

22 MR. CHARNO: I object to that question. It is  
23 far too general to refer to 150 pages of transcript and  
24 then ask the witness to endorse it en masse. We know there  
25 are discrepancies between the two systems. I think it is an

1 unfair record and will result in a confused record.

2 I would like greater specificity in the record  
3 as to any aspect of Duquesne Light system you want to  
4 compare with CEI's system.

5 (Whereupon, the reporter read from the  
6 record, as requested.)

7 CHAIRMAN RIGLER: Overruled.

8 BY MR. OLDS:

9 Q You may answer, Mr. Dempler.

10 A As it relates to the basic operation and the  
11 interaction of the systems within the interconnected  
12 area, Mr. Bingham's description is similar to the  
13 operation mode of Duquesne Light's system.

14 Q Are there any significant differences between  
15 the mode of operation of the CEI system and the mode of  
16 operation of the Duquesne Light system?

17 A There are differences in what constitutes the  
18 system. For example, CEI system has a pump storage plant  
19 at their Seneca location. Duquesne does not  
20 have any pump storage equipment. CEI does not have or in this  
21 time period did not have any nuclear capacity. Duquesne  
22 has had since the '50s, a nuclear unit at your Shippingport  
23 site.

24 There are other differences chiefly related to  
25 voltage levels. We in Duquesne use a subtransmission voltage

1 of 23,000 volts.

2 We also have four kV distribution and we also  
3 have 23,000 volt distribution. So that these are some of  
4 the basic differences in details of what constitutes a  
5 system.

6 MR. OLDS: Will you please mark that for  
7 identification, 116, Applicant Duquesne Light?

8 (The document referred to  
9 was marked DL 116, for  
10 identification.)

11 BY MR. OLDS:

12 Q I show you a paper which has been marked as  
13 Applicant's Exhibit DL 116, and I ask you what that is?

14 A This is a pictorial representation of the major  
15 component parts of the Duquesne Light system, and illustrates  
16 the general path of flow of energy essentially from the  
17 coal mines to the customer.

end 6

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1 Q You refer to coal mines?

2 A Yes, sir.

3 Q Does it have relevance to the Duquesne Light  
4 generation of power from a nuclear plant, beginning at the  
5 point of power station and excluding that portion  
6 dealing with the mining of coal?

7 A Yes. As indicated on the diagram, we have  
8 an insert there representing a nuclear reactor. This is  
9 representative of our Shippingport unit.

10 Q One last point to have the record as correct  
11 as possible.

12 Does Exhibit 116 reflect the full range of  
13 transmission voltage presently existing on the Duquesne  
14 Light system?

15 A Not, it does not. This exhibit is representative  
16 of our system in the period of 1967 to 1969.

17 At the present time we have substantially expanded  
18 transmission.

19 We have on the system 345 kv transmission,  
20 for example.

21 There are other changes which have occurred  
22 subsequent to this on our system.

23 MR. OLDS: If the Board please, we would like  
24 to offer this exhibit in evidence.

25 MR. LESSY: No objection.



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CHAIRMAN RICLER: Hearing no objection, we will admit Applicants Exhibit 116 into evidence at this time.

(The document previously marked Applicants Exhibit 116 (DL) for identification, was received in evidence.)

MR. OLDS: It has been called to my attention that the lower right-hand portion of the Exhibit there seems to have been an inadvertent deletion below the word "industrial" of some other word.

We are not sure what the word was, but we will supply a full and complete copy of this exhibit.

It might be "industrial and institutional" or "industrial and commercial."

It is next to the words "high voltage substation," in the lower right-hand corner.

THE WITNESS: There is a copy in my bag which will perhaps clarify it.

MR. OLDS: We will supply all parties and the record with a photocopy of the original, which is full and complete.

Cross-examine?

MR. CHARNO: Before we begin cross-examination, I'm not sure about the other parties, but we would like an opportunity to examine the 150 pages of transcript

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1 which have been incorporated by reference and also to examine  
2 the notes which the Witness referred to, or the document or  
3 documents the Witness referred to during his direct  
4 testimony.

5 CHAIRMAN RIGLER: Let's hear from Mr. Reynolds  
6 in his examination for the other Applicants first.

7 CROSS-EXAMINATION

8 BY MR. REYNOLDS:

9 Q Mr. Dempler, you testified that you had  
10 conducted a study regarding the ability of Pitcairn to  
11 assist Duquesne Light in a deadstart situation, I believe.

12 A Yes, sir.

13 Q Was that study precipitated by any suggestion  
14 on the part of Pitcairn that it could, indeed, assist  
15 Duquesne Light in a deadstart situation?

16 A Yes, sir. They suggested this as one of the  
17 possible contributions from Pitcairn, and my job was to  
18 evaluate the suggestion.

19 Q Did you then go back to Pitcairn, following  
20 your evaluation and report to Pitcairn the results of your  
21 evaluation?

22 A I don't recall that we made available to them the  
23 detailed calculations, but we did so inform Mr. McCabe  
24 that this possibility was just impossible.

25 Q And did Mr. McCabe take issue with you in that

1 regard, when you reported to him that it was impossible?

2 A No, I don't recall he took any issue. He did  
3 not pursue the point further. I assumed he accepted our  
4 evaluation.

5 MR. LESSY: Excuse me, I move to strike the  
6 Witness' assumption.

7 He can testify to his impression, but he  
8 volunteered what he assumed Mr. McCabe's interpretation was.

9 CHAIRMAN RIGLER: All right.

10 The motion 's granted.

11 BY MR. REYNOLDS:

12 Q Did you finish your response?

13 A I believe so, yes, sir.

14 Q I believe you also testified that you had been  
15 involved in some discussions with Pitcairn regarding  
16 parallel operations between Pitcairn and Duquesne Light?

17 A Yes, sir.

18 Q In any of the discussion in which you were ino  
19 involved, did Duquesne Light ever refuse to operate in  
20 parallel with the Borough of Pitcairn?

21 MR. LESSY: Excuse me. I think Mr. Reynolds  
22 ought to ask, would he clarify what he means by refuse.

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arl 1 MR. REYNOLDS: I believe I'm entitled to conduct  
2 my cross-examination. If Mr. Lessy is not satisfied, he  
3 can on cross-examination clear it up any way he wants. I will  
4 ask the witness if he had any difficulty understanding my  
5 question.

6 THE WITNESS: No, I have no difficulty under-  
7 standing the question. I would have to answer it in terms  
8 of my personal knowledge. And I personally did not say to  
9 Pitcairn, indicate to Pitcairn whether they could or could not  
10 operate in parallel. To the best of my recollection, in all  
11 of the many meetings which I was in, to the best of my  
12 recollection, I do not recall anyone else from Duquesne  
13 making any kind of a statement to the effect that Pitcairn  
14 could not operate in parallel.

15 MR. LESSY: I did interrupt with an objection.  
16 That is not the answer to the question asked. I think the  
17 question asked was did Pitcairn ever refuse to operate in  
18 parallel.

19 Would the reporter read back the question that  
20 was asked?

21 (Whereupon, the reporter read from the  
22 record, as requested.)

23 MR. LESSY: I'm sorry, I withdraw my objection.

24 BY MR. REYNOLDS:

25 Q I believe, Mr. Dempler, that you also indicated

1 that in your evaluation of the Pitcairn request for  
2 membership and interconnection, that you also considered  
3 whether Pitcairn could provide energy to the Duquesne  
4 system or to the CAPCO system; is that correct?

5 A Yes, sir.

6 Q You then indicated that due to the different  
7 costs that was not a realistic possibility. Were you  
8 talking in that context of economy energy?

9 A This would be one of the factors considered in  
10 an interconnected economy energy interchange, yes.

11 MR. REYNOLDS: I don't have anything further.

12 CHAIRMAN RIGLER: What are the notes to which  
13 you were making reference during your testimony?

14 THE WITNESS: These, sir, are two memorandum  
15 which I prepared in May 6, 1969. One related to the  
16 summary of the investigations as related to their request  
17 for interconnection with Duquesne.

18 The other related with their request to participate  
19 in CAPCO.

20 These documents, I understand, have been produced  
21 on discovery and have been picked up.

22 CHAIRMAN RIGLER: We will take now a 15-minute  
23 break. Please make your notes or your documents available  
24 to the government immediately on the break for copying so  
25 that you will have access to them.



1 MR. OLDS: Mr. Rigler, we are perfectly agreeable  
2 if it would help in any way to offer Mr. Dempler's  
3 notes in the record, should that be necessary.

4 CHAIRMAN RIGLER: If they have been made  
5 available on discovery, that won't be necessary. Let's  
6 leave that to the option of the government. Perhaps  
7 they are already exhibits of record.

8 With respect to your request for examination  
9 of the Bingham transcript, I don't want to cut you off  
10 from that.

11 At the same time, as I listened to his testimony,  
12 I didn't develop any great sense of urgency or overwhelming  
13 need for you to go over that at great length, page by page.  
14 Take a look at it and skim it over the 15-minute period.

15 We may allow you to go into it after the lunch  
16 hour, if that is necessary. You may be able to recall  
17 Mr. Dempler after the lunch hour, if that is necessary.

18 Take a preliminary look at the report and  
19 report back to us.

20 (Recess.)

21 MR. LESSY: The order on cross-examination for  
22 parties other than Applicants will be Department, Staff, City  
23 for this witness.

24 CHAIRMAN RIGLER: All right.

25 MR. CHARNO: Initially before beginning cross-

1 examination, the Department would move to strike that portion  
2 of the witness' testimony which adopted in entirety the  
3 testimony of Mr. Bingham on the following grounds:

4 First, that this is a presentation of expert  
5 testimony without compliance with the Commission's rules.

6 Second, that it is expert testimony --

7 MR. OLDS: Will you speak up a little, sir?

8 MR. CHARNO: Secondly, it is expert testimony  
9 beyond the scope of the ability of the witness.

10 Third, that the method of presentation does  
11 not allow the parties adequate opportunity for cross-  
12 examination, therefore depriving us of due process rights.

13 MR. LESSY: Staff would join in that objection.

14 MR. HJELMFELT: City would also join in that  
15 objection.

16 MR. REYNOLDS: Could we get that read back now?

17 (Whereupon, the reporter read from the  
18 record, as requested.)

19 MR. OLDS: May I respond, Mr. Rigler?

20 In the first place, I would observe that I  
21 thought Mr. Dempler in this regard was testifying as a  
22 fact witness, as I had been informed, although I was not  
23 present, as I had been informed Mr. Bingham was.

24 It is obvious that he has special professional  
25 training and special experience in the company which qualifies

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1 him to testify, but I did not understand him to be  
2 testifying as an expert in the sense which I believe Mr.  
3 Charno was using it.

4 As far as his qualifications are concerned, I  
5 think that is a matter that the record presently fully  
6 sustains Mr. Dempler's qualifications, but if the Board  
7 should for any reason believe that that matter remains to be  
8 supplied, we would, of course, ask leave to spread on the  
9 record Mr. Dempler's qualifications in fuller detail than  
10 had been heretofore stated.

11 As far as the last matter is concerned, I really  
12 thought I was doing something which would expedite the  
13 progress of the hearing. That is, it would have been  
14 possible, of course, to have led the witness through a long,  
15 laborious examination, to have paraphrased or mirrored  
16 exactly the questions asked of Mr. Bingham.

17 But I thought this was a convenient method of  
18 doing something, and I had also been informed that it was a  
19 procedure which had been used upon other circumstances in  
20 this hearing by other witnesses.

21 I hope in this regard I proceeded in accordance  
22 with what has been accepted by the Board in the past as  
23 appropriate testimony in the interest of expedition of a  
24 rather long hearing.

25 One other point; I'm reminded that I should

1 correct an inadvertent statement by Mr. Charno, we did  
2 not purport to adopt the entirety of Mr. Bingham's  
3 testimony.

4 I carefully stated it was only that portion of  
5 his testimony dealing with the mode of operation, not  
6 anything to do with rate or rate structures or matters such  
7 as that.

8 CHAIRMAN RIGLER: Three objections have been posed.  
9 All three will be denied. The first one relating to the  
10 expert testimony is merely an extension of the debate  
11 we had when Mr. Bingham first testified. The Board's ruling  
12 would stand on that.

13 The second addresses the competence of the  
14 witness to testify in that field. I believe the record  
15 is sufficient with respect to the witness' work area within  
16 his company and his areas of specialty and I believe he  
17 would be competent to testify in this area.

18 Third relates to due process rights, and that will  
19 be denied. The objection certainly would be premature.  
20 The Board has indicated it will give you an opportunity if you  
21 need it to come back over the lunch hour.

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1           If you wanted to resort to the procedure we would  
2 allow you to go through the testimony page by page and  
3 challenge the assumptions.

4           You are not being denied due process rights.

5           On the other hand, I hardly think that  
6 is necessary, given the nature of the testimony.

7           BY MR. CHARNO

8           Q     Mr. Dempler, can you tell us how many generating  
9 installations Duquesne Light had at the end of 1967?

10          A     At the end of 1967, we had our Phillips Station,  
11 Elrama Station, Read Station, Colfax and approximately  
12 at that time I believe, but I'm not sure of the exact date,  
13 the fourth Martin station was being cut in service.

14          Q     Sir, you didn't mention the Shippingport  
15 Station. Was there a reason for that?

16          A     I'm sorry. I did omit that. Shippingport  
17 Station was among those, yes.

18          Q     It was in operation at that time?

19          A     It was in operation, yes, sir.

20          Q     What was the largest of those generation stations?

21          A     The largest generating station would be our  
22 Elrama Station, consisting of four units, and the station  
23 capability was in the order of 400 megawatts plus.

24                In terms of the units, as I say, I'm not sure of  
25 the exact date the fourth Martin was cut in service.



1 Fourth Martin, we own 50 percent of a 570  
2 megawatt unit on the Allegheny Power System, so that our  
3 share was 270 megawatts.

4 Q Ranking your stations in terms of size, where  
5 would Colfax fit in?

6 A Colfax had a total capability at this time of  
7 approximately 250 megawatts.

8 It was our oldest station.

9 Q Sir, ranking, to ask my question again in terms  
10 of size.

11 A Colfax would be our smallest station. Well, it  
12 would be about on a par with our Read station.

13 Let me reorient, or think this again.

14 Our smallest station would be the Read station  
15 which consists of three generating units and had a capability  
16 fo slightly over 200 megawatts.

17 The next larger station would be the Colfax  
18 station which had a capability of approximately 250 megawatts.

19 The next order of magnitude of station would be  
20 the Phillips Station.

21 I don't recall the exact capability of that  
22 station.

23 But it would be in excess of 300 megawatts.  
24 The fourth station would be our Eirama station, in the  
25 order of 400 megawatts.



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And again I seem to have forgotten Shippingport.  
At the beginning of it, the smallest station would, in  
fact, be Shipping port.

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ar11 Q You testified on direct that there was an  
2 agreement between St. Joseph Lead and Duquesne Light; is  
3 that correct?

4 A That's correct.

5 Q Can you tell us what generating resources  
6 St. Joseph Lead had?

7 A St. Joseph Lead had two generating units. I believe  
8 the nameplate rating is of the order of 60 megawatts.  
9 So that their total station is approximately, I believe, in  
10 the order of 120 megawatts.

11 Q Was that discounted in any manner in terms of  
12 reaching the interconnection agreement? Did they have a  
13 lower reliable capacity figure in terms of the interconnection  
14 agreement?

15 A No.

16 MR. OLDS: Would you read that question, please?

17 (Whereupon, the reporter read from the  
18 record, as requested.)

19 MR. OLDS: Which question did you want the  
20 witness to answer, Mr. Charno? The first or second?

21 MR. CHARNO: Which one did you answer?

22 THE WITNESS: I answered the first one. It was  
23 not discounted.

24 MR. CHARNO: Now with respect to the second  
25 question, would your answer differ?

1 THE WITNESS: No, my answer would be the same.

2 CHAIRMAN RIGLER: The Board's notes indicate  
3 you testified that the capacity of the St. Joseph system  
4 is 25 MW.

5 THE WITNESS: That was the amount we received  
6 normally from St. Joseph Lead. Their total capacity, as I  
7 indicated, is two generating units, 120 megawatts. Out of  
8 that, they serve their own plant load and what is left  
9 then did deliver to Duquesne.

10 CHAIRMAN RIGLER: That was a firm power contract?

11 THE WITNESS: That is a -- that is not a firm  
12 power contract. It is a contract between Duquesne and  
13 St. Joseph Lead for us to take their surplus when it is  
14 available.

15 CHAIRMAN RIGLER: How was that factored into  
16 your system planning?

17 THE WITNESS: We generally count on it being  
18 available because it has turned out to be a rather reliable  
19 station. Available to the extent of 25 megawatts.

20 BY MR. CHARNO:

21 Q What was the size of St. Joseph Lead's load?

22 A Oh, let's see. I don't recall the exact magnitude  
23 of the load. It would be purely an estimate on my part.  
24 But it would run in the order of 60 to 70 megawatts.

25 CHAIRMAN RIGLER: Did you count the 25 MW from St.

1 Joseph's as a part of the generation available to Duquesne  
2 for purposes of negotiating the CAPCO agreement?

3 THE WITNESS: Yes, sir.

4 CHAIRMAN RIGLER: You treated that as available  
5 power, constantly available power to Duquesne when you  
6 discussed this with other members of the CAPCO formation  
7 group?

8 THE WITNESS: We considered that as a source of  
9 power, and as I indicated, it has been proven to be a  
10 very reliable source. So we did incorporate it in. I'm not  
11 sure, my recollection is a little hazy here, whether we  
12 assigned to that an outage rate or availability rate or not,  
13 in the CAPCO calculations.

14 I would have to check the records on that. But  
15 it was definitely counted in as part of our assets.

16 CHAIRMAN RIGLER: What was the smallest block  
17 of power which you counted in the various units you added to  
18 describe your available capacity for the CAPCO group?

19 THE WITNESS: The smallest in terms of Duquesne  
20 Light, the 25 megawatts from St. Joe Lead would be the smallest  
21 units of capacity.

22 The next smallest would be, I believe, on the  
23 order of 52 megawatts which represented the smallest generating  
24 unit on our system at that time.

25 MR. CHARNO: Could I have the whole answer read

1 back, please?

2 (Whereupon, the reporter read from the  
3 record, as requested.)

4 CHAIRMAN RIGLER: What disposition, if any,  
5 has been made of the Aspinwall generating equipment at this  
6 time?

7 THE WITNESS: I don't recall specifically. I do  
8 know from a planning standpoint this was no source of  
9 capacity or power for Duquesne.

10 As to the exact status or disposition of it, I'm  
11 not familiar with it.

12 BY MR. CHARNO:

13 Q If St. Joseph's Lead had a 70 megawatt load and  
14 they had either an emergency or maintenance outage, they  
15 would be unable to supply their load without the interconnec-  
16 tion agreement with Duquesne Light; is that correct?

17 A That's correct.

18 Q When was that agreement entered into with St. Joe,  
19 if you know?

20 A I don't know. It's been in effect quite a long  
21 while. I would rather not try to guess at the date because,  
22 as I say, it has been in effect for quite a while. I don't  
23 recall the exact year.

24 Q At least prior to 1965?

25 A Yes.

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1 CHAIRMAN RIGLER: Can you speak more into the  
2 microphone, please?

3 THE WITNESS: The answer is yes.

4 I'm sorry, sir.

end 10

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1 MR. OLDS: Keep your voice up, because there are  
2 a lot of people in the room that have to hear you.

3 Not just Mr. Charno.

4 BY MR. CHARNO:

5 Q Going back to your direct testimony, when was the  
6 Pitcairn request for CAMCO membership made to Duquesne Light?

7 A I believe the original request was towards the  
8 latter part of 1967, as I recollect.

9 Q When was Duquesne Light's response to that request.

10 MR. OLDS: I don't like to be technical in ob-  
11 jection, but this witness really didn't testify about that.

12 I made a statement on the record with reference to  
13 the documents which answer these specific questions.

14 The Witness did not, in fact, testify about those  
15 matters.

16 CHAIRMAN RIGLER: It is relevant to his testimony  
17 in that he was analyzing the response to be made to that  
18 request.

19 I will permit it.

20 THE WITNESS: I don't recall the exact date of  
21 the response.

22 BY MR. CHARNO:

23 Q Do you know whether the request was ever renewed  
24 after that response?

25 A There was an original request which would have

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1 been responded to, that Mr. McCabe asked, in effect, to have  
2 further discussions on it, which we did meet with  
3 him subsequent to the initial letter which came from  
4 Duquesne Light.

5 I believe subsequent to that, there were many  
6 discussions with Pitcairn and the various people.

7 Q Concerning CAPCO membership?

8 A Not specifically concerning CAPCO membership.  
9 I would have to say the initial request related to CAPCO  
10 membership, and the follow-up meeting which Mr. McCabe  
11 requested, this was again discussed to some extent.

12 I would say to the best of my recollection this  
13 would be the last time that they made specific request for  
14 membership in CAPCO, as such.

15 Q Now, can you tell me when that follow-up meeting was?

16 A I don't know. I don't recall the exact date.  
17 Presumably it was in 1969 period here, where this -- there is  
18 a memo in file which relates to a discussion of that meeting.

19 Q You made reference to having compiled a study with  
20 respect to the CAPCO requests; is that correct?

21 A I wrote a memorandum on the results of the  
22 various investigations or evaluations I made, yes.

23 Q When did you pull together the figures which you  
24 utilized in that memorandum?  
25

bw3

1           A       These figures had been developed through this  
2 entire period, and it was my memorandum which I prepared  
3 in 19 -- The early part of 1969 which, in effect, was to  
4 summarize for my own record the data and discussions which  
5 had occurred during this period.

6           MR. OLDS: Off the record.

7           (Discussion off the record.)

8           BY MR. CHASNO:

9           Q       Would that memorandum have been prepared in  
10 May of 1969?

11          A       That is correct.

12          Q       When you say it summarized the discussions, did  
13 it detail what took place at any meetings or during any  
14 discussions?

15          A       No, if I said summarize the discussions, I perhaps  
16 incorrectly characterized it. It summarized my evaluation  
17 fo what Pitcairn had proposed, and my evaluation of what they  
18 had to offer, either to CAPCO or to Duquesne.

19          MR. OLDS: What was the end of your answer,  
20 Mr. Demplex?

21          THE WITNESS: In terms of what they had to offer  
22 in terms of either to CAPCO or to Duquesne.

23          CHAIRMAN RIGLER: Had anyone asked you to prepare  
24 this memorandum?

25          THE WITNESS: No, sir. I prepared it for my own

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1 reference, and it was a memorandum I pulled together and  
2 put in my own file.

3 CHAIRMAN RIGLER: So that you did not submit the  
4 memorandum to any superior?

5 THE WITNESS: NO, sir.

6 BY MR. CHARNO:

7 Q Had you prepared a written study at any time  
8 prior to the 1969 study, with respect to Fitzcarrin's request  
9 for membership in CAPCO?

10 A No, I had not prepared any, what I would call a  
11 written study at all.

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arl 1 CHAIRMAN RIGLER: Is the memorandum a matter  
2 of record?

3 MR. CHARNO: I believe it is.

4 CHAIRMAN RIGLER: The Board would like to raise a  
5 question at this point. We seem to be moving very slowly  
6 in connection with this memorandum. Mr. Fleger testified  
7 he sent a letter of refusal to Pitcairn in January of '68;  
8 is that correct?

9 MR. OLDS: Yes, he did.

10 CHAIRMAN RIGLER: If the witness has made  
11 studies in '69, that seems somewhat beside the point if  
12 Mr. Fleger had given the letter which he stated under  
13 oath he intended to serve as a refusal. It sort of comes  
14 after the fact.

15 I don't understand the significance of the  
16 further testimony. It looks as if they gave a refusal and  
17 then they apparently made some studies once the Fleger  
18 firm decision had been made.

19 MR. OLDS: I don't believe that is at all what  
20 the testimony is. The witness testified that the memorandum  
21 was a summary of consideration he had given over a period  
22 of time.

23 CHAIRMAN RIGLER: The facts and figures in  
24 the memorandum relate to '68 and '69, in other words, after  
25 the Fleger refusal. If I'm wrong, straighten it out now

1 because the whole Board shares this impression. We are  
2 wondering where we have gone on the testimony this morning.  
3 It seems we are sort of pussyfooting around the problem  
4 right now. That not only includes your direct, but the  
5 cross.

6 We would like to get to the point.

7 MR. OLDS: The testimony of the witness was to  
8 the studies he made at the time of the request for  
9 membership. He made reference to the memorandum while he  
10 was on the stand and later was asked what it was, and he  
11 said this is a memorandum I made in the spring of '68 which  
12 summarized the consideration I had given it over a period of  
13 time.

14 I do believe the record says that. I would be  
15 glad to ask the witness that question.

16 CHAIRMAN RIGLER: I wasn't disagreeing with  
17 you, Mr. Olds. I was wondering why the memo isn't submitted  
18 to the Board. The memo might reveal the time period and  
19 figures involved. The Board is sitting in the dark. We  
20 don't have the memo. The witness does have it. The  
21 only people to be surprised would be the Board.

22 MR. OLDS: I asked to offer it earlier and you  
23 suggested it might be better to let the government handle it.  
24 If it would be helpful, I would be glad to offer them into  
25 evidence as two Duquesne Light exhibits. Perhaps the record



1 needs to have them present in order to be clear.

2 CHAIRMAN RIGLER: I'm not making findings. My  
3 remarks are to indicate the Board's concern so that you can  
4 help us out.

5 MR. OLDS: I would like them marked as Exhibits 117  
6 and 118. I don't know that we have the requisite number  
7 of copies available according to the protocol that  
8 has been established.

9 (The documents referred to  
10 were marked DL Exhibits 117  
11 and 118, for identification.)

12 MR. OLDS: I would propose to identify the  
13 document which has an internal reference number of 3524 at  
14 the upper right corner which deals with the participation  
15 in CAPCO as Exhibit 117. And the document which has an  
16 internal reference number of 3525 at the upper right-hand  
17 corner and deals with a possible connection between the  
18 Borough of Pitcairn and Duquesne Light for power exchange as  
19 118.

20 CHAIRMAN RIGLER: We note for the record that 117  
21 bears the signature of Mr. Dempler and a date of May 12,  
22 '69. The other bears the typed signature of Mr. Dempler and  
23 bears the date of May 6, 1969. That would be Exhibit 118.

24 MR. OLDS: Would the Board to have me supplement  
25 the record?

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CHAIRMAN RIGLER: You can address this during your redirect. We have pointed out the open question in our mind.

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1 CHAIRMAN RIGLER: While we are letting you know  
2 the open questions as far as we are concerned, did  
3 Mr. Pleger also say that with respect to Pitcairn membership,  
4 availability of capacity was not really a material  
5 consideration to the Duquesne decision?

6 MR. OLDS: I really don't recall that to have  
7 been the case.

8 CHAIRMAN RIGLER: All right.

9 MR. OLDS: I'm afraid I do not have such a  
10 recollection. He may have said that the capacity available  
11 or implied the capacity available was so insignificant  
12 that it did not represent a favorable factor in the  
13 consideration, but I do not recall that he said the matter  
14 of the capacity was immaterial to the decision which, I think,  
15 is what your question was.

16 I would like to state for the record,  
17 Mr. Rigler, that the Witness did not purport to suggest at  
18 any time, to my memory of his oral testimony, that this  
19 memorandum was the document he was offering as the evidence  
20 of his study and analysis.

21 These were documents he had with him on the  
22 stand which he consulted, as government counsel noted, in  
23 connection with answering certain questions on direct.

24 I don't recall that he, in any way, sought to  
25 imply that this was the only consideration that he ever gave  
to the matter or anything like that.

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1 We did not offer these to prove anything.

2 CHAIRMAN RIGLER: We appreciate that.

3 BY MR. CHARNO:

4 Q Mr. Dempler, referring to your May 12 report on  
5 CAPCO and Pitcairn, do you utilize any figures in that report  
6 prior to projections for 1971?

7 A Prior in time to 1971 projections?

8 MR. CHARNO: Could the reporter read back the  
9 question?

10 (Whereupon, the reporter read the pending  
11 question, as requested.)

12 THE WITNESS: As I indicate in the report, the  
13 data relating to CAPCO, are based -- is based on 1971 data.

14 I did not have any projected data for Pitcairn.  
15 So what I used for Pitcairn was their then current  
16 situation which essentially would be 1969 data.

17 BY MR. CHARNO:

18 Q You indicated that you did not give this report  
19 to any superior.

20 Did you give a draft of this report to any of  
21 your superiors?

22 A Well, no, I would say not.

23 Again, I would say that this was prepared by myself  
24 for my own file.

25 Specifically, how it was used or how it was not used

bw3 1 I don't recollect exactly.

2 I know I did not make any formal distribution  
3 of it. Whether it was informally given to other individuals  
4 or not, I assume it is entirely possible, but I'm not  
5 certain.

6 Q What would a formal distribution consist of,  
7 sir?

8 A Well, formal, in the case of this case, a formal  
9 distribution would be distributed by some form of a letter  
10 of transmittal from me to some other individual.

11 Q Do you recall sending such a letter of transmittal  
12 to Mr. Gilfillin, Mr. Munsch and Mr. Cramer?

13 A I don't specifically recall it. It is entirely  
14 possible.

15 Q Who would Mr. Cramer be?

16 MR. OLDS: May I state for the record, Mr. Cramer  
17 is my partner in the firm of Read, Smith, Shaw and McCloy.  
18 I would be happy to make that clear.

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BY MR. CHARNO:

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Q What is Mr. Cramer's relationship to Duquesne

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Light?

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A As has been stated, he is a member of the Reid,

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Smith, Shaw and McClay firm. I don't recall the exact

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relationship of the individuals at that time, but they were

7

representing us in these proceedings.

8

Q In which proceedings, sir?

9

A In the proceedings particularly as I recall --

10

particularly the discussions as related to the Federal

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Power Commission. I will have to -- as I say, my feeling

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for this exact position in this is somewhat hazy.

13

Q Was that law firm also representing you with

14

respect to an antitrust suit brought by the Borough of

15

Pitcairn against Duquesne Light?

16

A I believe so, but again I would have to say

17

that I don't know that specifically of my own --

18

MR. OLDS: Mr. Rigler, I have not objected

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until this point, but I would observe for the record

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that this is an extended examination on a document we did not

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offer into evidence as part of the direct testimony.

22

I fail to see the total relevance of it and the

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kind of questions that are now being asked in connection

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with the direct.

25

CHAIRMAN RIGLER: There is no question that the



1 witness referred directly to that document in framing  
2 several of his answers to the direct testimony.

3 The Board observed his reference, I think, to  
4 the table section on several occasions. So it figures  
5 prominently in his direct testimony. The line is not  
6 objectionable thus far.

7 MR. OLDS: My only concern is that even if the  
8 witness did refer to it, he did not propose the document  
9 as an exhibit. It was not offered and we are now getting  
10 into questions about the status of Reid, Smith, Shaw and McClay  
11 one of whose partners received a copy of it. Whether or not  
12 we were associated with an antitrust case, we have gone  
13 far afield of the use of the document by the witness.

14 CHAIRMAN RIGLER: There has been testimony as to  
15 the purpose for which the document was prepared. Counsel  
16 is entitled to explore all of the purposes. It is on that  
17 basis that I'm going to permit this line to continue.

18 BY MR. CHARNO:

19 Q Mr. Dempler, do you recall soliciting the comments  
20 or suggestion of Mr. Cramer, Mr. Munsch or Mr. Gilfillan  
21 with respect to drafts of both the Pitcairn-Duquesne connec-  
22 tion report and the Pitcairn-Duquesne CAPCO report which  
23 you authored?

24 A I don't recall it specifically. I may well have  
25 asked their comments and reactions.

1 Q If you had done so, do you have any idea why  
2 you might have done so?

3 MR. OLDS: I object. That is speculative.  
4 He did not say he had done so.

5 CHAIRMAN RIGLER: Sustained.

6 MR. CHARNO: I would like to show you a --

7 MR. OLDS: Before you do, may we have the  
8 pleasure of knowing what the paper is you propose to show?

9 MR. CHARNO: The Department would like to offer  
10 for identification two documents. The first is dated May  
11 12, 1969, addressed to Messrs. Gilfillan, Munsch and  
12 Cramer, C-r-a-m-e-r, and signed by Mr. Dempler.

13 We would like to offer that as DJ 608 for identification.

14 (The document referred to  
15 was marked DJ 608, for  
16 identification.)

17 MR. CHARNO: The second document we would like  
18 to offer for identification is DJ 608, a letter from Mr.  
19 Cramer to Mr. Munsch dated May 27, 1969.

20 MR. HJELMPFELT: Counsel, am I correct that the  
21 attachment to DJ 608 would be Applicant's 117 and 118 for  
22 identification?

23 MR. CHARNO: To 608 or 609?

24 MR. HJELMPFELT: 608.

25 MR. CHARNO: No, those would be drafts of 608 and

1 609.

2 MR. REYNOLDS: Excuse me. I guess I'm shuffling  
3 papers, I have a hard time understanding how what has been  
4 identified is a draft of documents that are already  
5 marked that seem to predate what Mr. Charno has referred to  
6 as a draft. I'm trying to get cleared up what we are  
7 talking about. I have the documents in front of me. I  
8 don't have all of them. I think the ones he has indicated are  
9 the drafts couldn't be on the basis of the dates.

10 CHAIRMAN IGLER: Perhaps you could start out by  
11 asking the witness.

12 (The document referred to  
13 was marked DJ Exhibit 609,  
14 for identification.)

15 BY MR. CHARNO:

16 Q Sir, I believe you have before you a copy of DJ  
17 608. Let me ask if that refreshes your recollection as to  
18 whether you submitted a -- formally submitted a draft of  
19 your Pitcairn-CAPCO report to Messrs. Gilfillan, Munsch  
20 and Cramer?

21 A Obviously it suggests I distributed copies to them,  
22 yes.

23 Q Does it refresh your recollection as to whether  
24 you requested comments and suggestion?

25 A Again the letter speaks for itself. As I remember

1 the situation today, I do not remember these details.

2 Q Do you recall receiving any comments or sugges-  
3 tions?

4 A No, I do not.

5 Q With respect to the documents which have been  
6 identified as Applicant's Exhibits 117 and 118, is it your  
7 testimony that those are the last versions of those reports  
8 that you executed?

9 A I'm not sure about what you identify as "those"  
10 documents. Are you referring to these documents, one con-  
11 taining the reference number 3524 and the second one reference  
12 number 3525?

13 MR. CHARNO: We haven't been supplied with copies  
14 yet, so I'm not sure about the reference numbers. Would one  
15 be the CAPCO report dated --

16 MR. OLDS: May I interrupt, Mr. Charno, because  
17 I do not understand your last statement. Mr. Zahler went  
18 out of the room to make copies and he has returned.

19 MR. ZAHLER: They are being worked on.

20 MR. REYNOLDS: If I could ask, Mr. Chairman, if  
21 we are talking about last versions and first versions and  
22 drafts and finals and so on, it might be helpful if we wait  
23 for a few minutes until everybody has in front of them  
24 copies of what is being discussed, including the witness.

25 CHAIRMAN RIGLER: Everybody does, with the

1 exception of the Justice Department.

2 MR. HJELMFELT: That is not correct. The City  
3 does not.

4 MR. REYNOLDS: I don't, and Justice doesn't, and  
5 the City doesn't, and the witness doesn't.

6 MR. CHARNO: The witness does, but I don't.

7 MR. REYNOLDS: I would like to have copies in  
8 front of me. They are being copied.

9 (Pause.)

10 MR. CHARNO: With the understanding we will  
11 return to this line when copies of the documents are  
12 made available, we will move to another line at this point.

13 BY MR. CHARNO:

14 Q Mr. Dempler, I believe you testified that in the  
15 1968-1969 period, Duquesne had generating reserves of 150  
16 to 160 megawatts; is that correct?

17 MR. OLDS: I object. I believe the testimony was  
18 that that was operating reserves.

19 THE WITNESS: Installed indicated reserve  
20 capacity available in the order of 311 megawatts during  
21 this period. This is based on '69 data.

22 CHAIRMAN RIGLER: What was the figure of 150 you  
23 gave this morning?

24 THE WITNESS: The 150 megawatts was an estimate  
25 of the required operating reserve.

ar7

1 BY MR. CHARNO:

2 Q The required reserve as opposed to the  
3 available operating reserve?

4 A No, the 311 megawatts relates to the  
5 installed reserve on our system. The 150 to 160 megawatts  
6 refers to the required amount of reserve operating on a  
7 day-to-day basis over and above the load requirements.

8 CHAIRMAN RIGLER: You had double the amount of  
9 installed reserves that were required for operating  
10 purposes?

11 THE WITNESS: This is correct. Out of the total  
12 reserve would, of course, come our requirements for  
13 capacity when out of service for maintenance or failure.

14 CHAIRMAN RIGLER: What was the time period for  
15 these figures again?

16 THE WITNESS: These figures are '68, '69 figures.

17 CHAIRMAN RIGLER: Was there any appreciable  
18 change in those figures between 1967 and 1969?

19 THE WITNESS: I don't have the exact figures  
20 on installed reserve available for 1967. I believe they  
21 obviously would be different, but specifically I don't have  
22 them available for me right now.

23 BY MR. CHARNO:

24 Q Mr. Dempler, in 1967, did not Duquesne's peak in  
25 June of that year exceed its installed capacity by 100



1 megawatts?

2 A Again I don't remember our exact capacity  
3 situation at that time. I do know that during this period  
4 we were buying substantial amounts of power to supplement  
5 our installed capacity.

6 CHAIRMAN RIGLER: During the period from '67 through  
7 '70, were you down to a zero reserve situation?

8 THE WITNESS: Let's say in terms of our total  
9 capacity available and this includes our purchase of  
10 power, I would say no.

11 BY MR. CHARNO:

12 Q In terms of your system's own generating resources,  
13 not crediting your interconnections, what was your  
14 reserve balance from 1967 through 1970?

15 A I don't have that data with me.

end 14

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1 Q Was it a positive or negative balance?

2 A Again, I would have to be guessing.

3 You are relating our installed capacity to our  
4 load requirements, and I just don't know at this particular  
5 time.

6 I do know, and during this period, as part of  
7 our program, we were buying substantial amounts of  
8 power, because at the same time, we were building our  
9 Chestwick unit.

10 So that -- and this was a large unit, and prior  
11 to the cutting of the Chestwick unit, yes, we were short on  
12 installed generating capacity.

13 CHAIRMAN RIGLER: When did you bring the  
14 Chestwick unit on line?

15 THE WITNESS: The Chestwick unit was 1970.

16 CHAIRMAN RIGLER: I'm having some trouble with  
17 your testimony that you had 311 mw of installed reserve  
18 during this period, and that was 150 above -- that gave you  
19 150 reserve requirement over your load.

20 THE WITNESS: The 311 included -- this is our  
21 effective load carrying capability -- let's start over  
22 again. The 311 included in that was a firm purchase of  
23 225 megawatts. So --

24 CHAIRMAN RIGLER: Wait a minute.

25 When you talk about installed, do you carry

bw2 1 firm purchase requirement from outside of your system  
2 under the category of installed reserves?

3 THE WITNESS: No, sir. The correct, total number  
4 at this particular time of installed reserve, installed  
5 physically on the system, amounted to 1,777.

6 We had a firm purchase power of 225 megawatts.  
7 So that our effective load carrying capability of the  
8 system was 2,002 megawatts.

9 CHAIRMAN RIGLER: Give me those figures again.

10 THE WITNESS: The installed capacity, 1777.  
11 Firm purchases, 225 megawatts.

12 CHAIRMAN RIGLER: What was your load during the  
13 period for the figures you have just give me?

14 THE WITNESS: The maximum load at that time  
15 was 1691.

16 BY MR. CHARNO:

17 Q At what point in time was that, Mr. Dempier?

18 A These figures are for 1968, I am almost certain.  
19 Yes, they would be 1968.

20 CHAIRMAN RIGLER: I'm having a great deal of  
21 difficulty with your surplus of 311 mw in your installed  
22 reserves that you told us about then. I'm subtracting 1690  
23 from 1771, and I'm getting 80 and no 311.

24 THE WITNESS: I did not represent 311 as  
25 installed reserve. That is the reserve capacity available  
on our system.

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1 Obviously, consists of firm power purchases.  
2 The actual installed reserve would be the difference between  
3 1691 and the 1777 megawatts which would be 77.

4 Our actual installed reserve was 86 megawatts.

5 MR. OLDS: May I point out to you, sir, that  
6 all of those figures appear in Exhibit 118 at the bottom  
7 of the page.

8 First page. The designation of the  
9 character of each of these figures is also there.

10 The figure that the Witness, for example, just  
11 referred to, the 311 appears on page 2 of that exhibit,  
12 second entry from the top, indicating a reserve capacity  
13 available.

14 BY MR. CHARNO:

15 Q Mr. Dempler, isn't it true that in the period  
16 from 1967 to 1970, that were it not for the partial  
17 requirements purchase of Duquesne Light there would have been  
18 times when Duquesne Light could not have met its load from  
19 its own generating capacity?

20 A During this period without the firm purchases,  
21 undoubtedly, this is true. We would have been not able to  
22 supply our load. This is correct.

23 Q Now, earlier I believe that you testified that  
24 the smallest unit on the Duquesne system was 50 megawatts.

25 Is that a correct statement of your testimony?

bw4

1 MR. OLDS: The Witness testified to 52, I believe.

2 THE WITNESS: 52 megawatts.

3 BY MR. CHARNO:

4 Q Do you recall a unit of five megawatts that  
5 you reported to the Federal Power Commission as one of the  
6 units on which you depended? This would be a turbine  
7 generator.

8 A We had on our system a five megawatt unit which  
9 was part of the Alleghency County steam heating system  
10 which operated during the winter period.

11 The considerations here is related to the  
12 system peak load which is a summer peak and during the  
13 summer period, that unit just does not operate, inasmuch  
14 as there is no steam output or very little steam output  
15 on the steam heating system.

16 Q But there is a five megawatt unit that  
17 Duquesne lists as one of the resources available to it;  
18 is that correct?

19 A There was a five megawatt unit in this period  
20 available to Duquesne during certain periods of the  
21 year, yes.

22 Q That unit was listed as a resource available to  
23 Duquesne Light in reporting to the Federal Power Commission?

24 A Yes, it was, undoubtedly -- yes, it was reported  
25 to the Federal Power Commission.

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1                   CHAIRMAN RIGLER: Was there any reference  
2 in the report to the Federal Power Commission about  
3 limited availability due to season?

4                   THE WITNESS: To the best of my knowledge,  
5 I'm not certain.

6                   I would suspect not, because, as I recall, the  
7 Federal Power Commission was a matter of statement of  
8 the fact of the existence of it.

9                   I'm not sure whether all of the reports just  
10 reflect this or not.

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Q Sir, is it possible to tell us what reserves Duquesne carried in terms of percentage of peak load in 1968 and 1969?

A Again I don't have the exact figures. These values vary from year to year. I would hesitate to guess at those numbers. We can produce these numbers if this is desired.

Q Would it be possible to calculate for 1968 such figures from Applicant's Exhibit 118?

A Yes, it can be --

MR. OLDS: I'm not sure the witness knows which is 118.

CHAIRMAN RIGLER: That is the one with reference 3525 at the top of the page, engineering report for possible connection between Duquesne and Pitcairn.

THE WITNESS: Thank you.

As a reasonable estimate, I would say that the percent reserve is related to the peak would be the ratio of the 311 megawatts to the indicated load of 1691 megawatts.

BY MR. CHARNO:

Q Now if you were calculating those reserves on the basis of Duquesne being an isolated system, not crediting the firm power purchases, what would be the percent reserves of installed generating capacity for Duquesne?

1 MR. OLDS: I object to the question. I do  
2 not think that it has any relevance in the proceeding.  
3 There was in fact a firm power purchase. What is the  
4 point of a hypothetical calculation?

5 MR. CHARNO: The whole purpose of the study is  
6 to compare an isolated system with an interconnected system.  
7 It is directly relevant to his testimony about why the  
8 Borough of Pitcairn was useless to Duquesne Light. It is  
9 because they were isolated.

10 MR. OLDS: There was no such testimony by the  
11 witness on direct. The reference to the term "isolated"  
12 never appeared in the witness' testimony, nor did he  
13 purport to analyze Duquesne as an isolated system without  
14 its firm power purchase or whatever else existed as the  
15 fact.

16 What he did was set forth as appears here in this  
17 particular report and as set forth in his testimony earlier.  
18 He was certainly not analyzing hypothetical situations.

19 CHAIRMAN RIGLER: I agree with you in part.  
20 But I'm going to overrule the objection. The witness  
21 was presented to describe his analysis with respect to the  
22 various units on stream, the overall dimensions of the  
23 Duquesne system vis-a-vis the Pitcairn system. I thought  
24 any way you wanted us to make comparisons with respect to  
25 the relative size and capacity of the two systems. The

1 witness testified extensively in that area. I think  
2 the government now is entitled to probe into his  
3 knowledge of the '68, '69 period.

4 Moreover, we overruled objections relating to  
5 his expertise with respect to the overall operation of  
6 this system in connection with the Bingham testimony. It is  
7 my impression that he was presented as a systems engineer  
8 with familiarity during this period with the overall  
9 Duquesne system.

10 On both counts I will let the government probe  
11 in this area.

12 MR. OLDS: I understand your ruling and abide  
13 by it. My objection went to the kind of question that is  
14 being asked. He is asking the witness to make hypothetical  
15 calculations. I can well understand it might be appropriate  
16 cross-examination to say did you consider the relation  
17 in your analysis, the relation of Duquesne's actual  
18 generating capacity to its peak load, or did you make a  
19 calculation without the firm power purchase.

20 But what we are being here afforded on the  
21 record is to ask the witness to perform a particular  
22 calculation. I don't know how that represents cross-  
23 examination.

24 It seems to me that is in effect trying to make  
25 this witness into a government witness, to establish a fact

1 through this witness. It does not test his credibility  
2 in any way to ask him to make this calculation. Anybody  
3 can do it by simple mathematics.

4 CHAIRMAN RIGLER: I see your point.

5 Do you want to rephrase your question, based on  
6 his own analysis of the figures, Mr. Charno?

7 BY MR. CHARNO:

8 Q Mr. Dampier, did you at any time consider a  
9 comparison of the reserves maintained by Duquesne and the  
10 Borough of Pitcairn that would be based on both systems  
11 being isolated?

12 A No.

13 Q Did you at any time make a comparison on a  
14 percentage basis, such as we have been discussing, between  
15 the reserves maintained by Duquesne Light and the Borough  
16 of Pitcairn?

17 A No, I did not.

18 Q You never compared percentage reserves at any time?

19 A No, I compared the factual numbers. The fact of a  
20 percent reserve is not of great importance to me as a  
21 measure of adequacy or inadequacy of reserve. I may  
22 have in expressing the results of these -- I don't recall  
23 whether I expressed these numbers as a percent of something  
24 else or not. I may have. But I don't recollect it.

25 CHAIRMAN RIGLER: Is percent of reserves an

1 important factor in your overall analysis of a  
2 systems capability?

3 THE WITNESS: No, sir. In my opinion, the  
4 percent reserve is an expression of a result of  
5 an analysis which is much more involved than calculation.

6 The comparison of percent of reserve of one  
7 system to another is not a valid comparison, in my opinion.

8 BY MR. CHARNO:

9 Q Isn't a percent reserve comparison, a comparison  
10 Mr. Dempler made himself with respect to the members of  
11 CAPCO in later years?

12 MR. OLDS: May I object to that on the ground  
13 that this is not proper cross-examination?

14 MR. CHARNO: The witness has made a statement of  
15 the utility and his feeling of the utility of something,  
16 and I'm probing that statement.

17 MR. OLDS: Nevertheless I urge that this is not an  
18 appropriate form of cross-examination. You asked him a  
19 question on cross-examination, and he makes an answer.  
20 Now you wish to go into a completely unrelated field, and the  
21 sole basis for that is the answer he has made in cross-  
22 examination and not his testimony on direct.

23 CHAIRMAN RIGLER: Overruled.

24 MR. OLDS: You are trying to collaterally  
25 attack his testimony in this form.



1 CHAIRMAN RIGLER: Overruled.

2 THE WITNESS: May I have the question?

3 (Whereupon, the reporter read the pending  
4 question, as requested.)

5 MR. CHARNO: Let me withdraw that question.

6 MR. OLDS: Mr. Rigler, forgive me, but I do feel I  
7 ought to protect my record. I'm more disturbed when I realize  
8 what is happening is Mr. Charno is building his questioning  
9 upon questioning by the Board.

10 I don't know where that falls in the category  
11 of procedural niceties, but I am disturbed that the sole  
12 justification appears in the record that I know of for his  
13 present line of cross-examination is the witness' answer to a  
14 question of the Board. I don't know. It is certainly  
15 not direct testimony of the witness.

16 I don't suppose it falls in the category of an answer  
17 to a question in cross-examination. It is some place in a  
18 category I'm not familiar with exactly as a lawyer.

19 CHAIRMAN RIGLER: If the Board asks a question,  
20 it may be that we think the answer may in some way be  
21 relevant. It may or may not be, but the implication is  
22 the information we are seeking is relevant to our  
23 consideration.

24 If the witness gives an answer, it seems other  
25 parties are entitled to probe the veracity of that answer.



1 The objection is overruled. The Board is not restricted  
2 to the questions that you ask on direct.

3 If you open an area, that seems to us  
4 material or relevant, to deciding any of the issues in  
5 controversy, then we are entitled to pursue it with this  
6 witness.

7 MR. OLDS: I was not suggesting to the contrary.  
8 I was trying to arrange the order of questioning in my  
9 mind, and I think you have correctly stated it when you  
10 say that the testimony in effect amounts to challenging  
11 the credibility of the witness or at least investigating  
12 the credibility of the witness.

13 Do I understand you have withdrawn the question  
14 after all of this, or are you pursuing this?

15 MR. CHARNO: I have withdrawn the question of  
16 record, and I will ask another question.

17 MR. OLDS: Forgive me if my discussion is beside  
18 the point.

19 BY MR. CHARNO:

20 Q Mr. Dempler, in your later work in connection  
21 with CAPCO, did you utilize reserves expressed as percentages  
22 of peak load?

23 A I'm bothered by your term "utilize." I don't know  
24 what you mean by the phrase "utilize."

25 Q Did you make the calculation to arrive at such

1 percentages?

2 A Yes.

3 Let me state it this way:

4 There is comprehensive method of calculating  
5 reserve requirement within CAPCO which essentially involved  
6 quite a bit of probability analysis. And it is not uncommon  
7 to express the results of those calculations as a percent of a  
8 peak load. Now this we have done quite frequently.

9 CHAIRMAN RIGLER: It is a concept employed  
10 by Duquesne then?

11 THE WITNESS: Let's put it this way:

12 It is a concept of expressing an answer. It does  
13 not imply that having that answer, you can apply that concept,  
14 that percent to a new situation and come up with a correct  
15 answer.

16 CHAIRMAN RIGLER: But it is a concept that  
17 Duquesne employs for purposes of its own analysis?

18 THE WITNESS: Yes, sir. It is a concept -- it is  
19 not a concept, it is a calculation we simply utilize to  
20 relate the magnitude of reserves as related to a peak load.

21 BY MR. CHARNO:

22 Q Mr. Dempler, did you compare in your work on  
23 CAPCO the percentage reserve maintained by Duquesne, with  
24 the percentage reserve maintained by any other CAPCO company?

25 MR. OLDS: I object. This clearly is not

1 testing the witness' credibility. He asked whether the  
2 witness had done it in the past. The witness has answered.

3 This is an effort to make this witness a govern-  
4 ment witness in this case in some fashion. It is certainly  
5 not in any way addressed to the direct testimony of this  
6 witness, nor does it test his credibility.

7 MR. CHARNO: I believe it tracks exactly the  
8 question I asked with respect to Duquesne Light and Pittsboro.  
9 The witness' answer at that point was he did not believe  
10 that that was an accurate or adequate measure. I'm asking  
11 him if he has done exactly the same thing in the context of  
12 CAPCO.

13 I believe it goes directly to the witness'  
14 credibility.

15 MR. OLDS: Can we have the question read?

16 (Whereupon, the reporter read from the  
17 record, as requested.)

18 CHAIRMAN RIGLER: Overruled.

19 THE WITNESS: As I previously indicated, in making  
20 these calculations of reserves, you quite frequently  
21 express the results as a percent of reserve related to the  
22 peak load. I have done this for Duquesne. I have done this for  
23 the other CAPCO companies.

24 The results indicate different percent for the  
25 different companies and different percent for different

1 period of time. I have not utilized these in the sense  
2 of comparing the relative positions as to adequacy or  
3 inadequacy of one party or one system against the other.  
4 It is simply a statement of fact that this is the reserve  
5 requirement period.

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BY MR. CHARNO:

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2 Q Is your answer that you have made such comparisons?

3 A Yes, I have made these calculations.

4 Q And you have compared one company against  
5 another?

6 A I have tabulated Duquesne Light's reserve in  
7 a particular situation and at the same time what Ohio  
8 Edison and the other CAPCO parties reserve will be or is.

9 Now, if this constitutes a comparison, yes.  
10 I have made these tabulations.

11 Q Now, just making sure I have your testimony  
12 correct, did you make any such tabulation or comparison  
13 between Duquesne Light and the Borough of Pitcairn?

14 A I may have calculated the numbers, but again  
15 I don't remember specifically as to expressing them in  
16 percent reserve.

17 I may have; I don't recall.

18 Q -- Sir, I would like to return now to a question  
19 we were going to ask earlier concerning Applicants 117 and  
20 118 which you have designated as --

21 MR. OLDS: May I urge the Witness be given a copy  
22 of them or that the copies he has be marked for his benefit?

23 CHAIRMAN RIGLER: Mr. Berger, on the Witness's  
24 copy, will you write down the appropriate exhibit number?

25 BY MR. CHARNO:

Q Sir, with respect to those two documents, do you

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1 recall preparing a later version of either of these?

2 A I don't recall it, no.

3 Q Is it possible that both of these are drafts and  
4 that subsequently later versions were prepared?

5 A I can't say. I would have to assume that,  
6 since they are not marked drafts that they represent the --  
7 at least what I thought at the time was the final version?

8 CHAIRMAN RIGLER: You indicated that you obtained  
9 copies of these from your own files, I believe.

10 THE WITNESS: Yes, sir.

11 CHAIRMAN RIGLER: Do your own files have any  
12 other versions, other than the ones marked Exhibit 117 and  
13 118?

14 THE WITNESS: I don't recall any other versions.

15 BY MR. CHARNO:

16 Q Would you have retained in your own files the --  
17 materials that were sent forward with the May 12 memorandum  
18 from you -- cover letter from you to Mr. Gilfillan and  
19 others, which is identified in this record as DJ-6087?

20 A I don't recall specifically what was attached to  
21 this letter of transmittal. I have not searched my files  
22 in relation to this particular letter.

23 CHAIRMAN RIGLER: Was there only one Pittsbur-  
24 Duquesne interconnection report prepared in April or May  
25 of 1969?



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2 THE WITNESS: To the best of my knowledge,  
3 that is correct.

4 CHAIRMAN RIGLER: Now, was there only one  
5 Pitcairn-CAPCO report prepared during April or May of  
6 1969?

7 THE WITNESS: To the best of my knowledge there was  
8 just one.

9 CHAIRMAN RIGLER: All right.  
10 So those would be what have been designated  
11 as Exhibits 117 and 118 of the Applicants?

12 THE WITNESS: Yes, sir.

13 CHAIRMAN RIGLER: With reference to Department  
14 of Justice Exhibit 608, which is your letter of May 12  
15 to Messrs. Gilfillan, Munsch and Cramer, what would the  
16 reference to a revised draft be?

17 THE WITNESS: I really don't know. It could very  
18 well be, and I have not searched my files to verify this, but  
19 it could very well be that what was transmitted with  
20 this letter were the exact exhibits as shown here.

21 But I have no verification of that.

22 BY MR. CHARNO:

23 Q Do you recall executing a May 8 draft of the  
24 report on the electric connection between Pitcairn and  
25 Duquesne Light?

A I don't recall that, specifically.

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BY MR. CHARNO:

Q Mr. Dempler, you are being handed a document which has been identified as DJ-509 for identification.

I would like to ask if you recall receiving that?

A I don't recall, specifically.

On the other hand, I certainly cannot deny that I may well have received it.

Q Do you recall receiving -- I direct your attention to the reference to revision of your reports which occurred during a meeting on May 23, 1969.

Do you recall what those revisions were?

CHAIRMAN RIGLER: First, you better find out if he was at that meeting.

THE WITNESS: I don't specifically recall whether I attended that meeting or not.

BY MR. CHARNO:

Q Do you recall ever being informed of any revisions, as a result of that meeting?

A I don't recall any revisions specifically.

Q Do you recall being told that these two studies, the interconnection report and the CAPCO report were to be utilized in litigation?

A I believe somewhere along the line, yes, it was indicated that this might represent a good summary of the

1 situation.

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2 Q Was that indicated before or after the time  
3 you prepared the final report?

4 A I don't recall, specifically.

5 MR. REYNOLDS: Did you mean by final report,  
6 what is reflected as Applicant's Exhibits 117 and 118?

7 MR. CHARNO: I don't believe it is the Witness'  
8 testimony that he can identify those as the end product.

9 Let me ask you, can you identify Applicant's  
10 Exhibits 117 and 118 as the final report that you wrote?

11 THE WITNESS: To the best of my knowledge, they  
12 are the final reports.

13 I have no knowledge of my preparing anything  
14 later.

15 BY MR. CHARNO:

16 Q The fact that DJ-609, which is the letter  
17 from Mr. Cramer to Mr. Munsch of May 27, refers to revisions  
18 in those reports occurring on May 23, which is several  
19 weeks after the date on those reports, wouldn't change  
20 your testimony with respect to that?

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ar11 MR. REYNOLDS: Before he answers that, I do have  
2 an objection. I have hesitated to make it because I think  
3 we are going off on a collateral matter on something I guess.  
4 As to whether or not it is a proper -- he knows well that  
5 the attachments he has differ from 117 and 118, and he has  
6 known it from the beginning of the interrogation, and he  
7 has indicated in his questions to the witness

8 and has left the impression with the Board that we  
9 are talking about the same documents or attachments as  
10 reference in 117 and 118.

11 His last question points it up specifically.  
12 I'm not suggesting to this Board that the material that  
13 was attached is not something that was drafted as a build-on  
14 or using that as a basis, or that there is not a relation-  
15 ship.

16 But we have a clear indication by Mr. Charno  
17 in his questioning that we are talking about the same  
18 material and we are not talking about the same material because  
19 the attachment indicates it is something different.

20 It ought to be cleared up and made plain to  
21 everybody. I don't propose to suggest we should start  
22 introducing a flood of documents on this matter.

23 If we test the witness' credibility, it ought to  
24 be done in a way that the witness and the Board and the  
25 attorneys have before them for purposes of reference what  
it is we are talking about so that we don't get misleading

1 questions.

2 I object strenuously to the way this is  
3 being conducted.

4 MR. CHARNO: We received Applicant's 117 and  
5 118 as attachments to DJ 609. And I think in that context  
6 there is nothing misleading about my question.

7 CHAIRMAN RIGLER: Let me hear the question.

8 (Whereupon, the reporter read from the  
9 record, as requested.)

10 MR. OLDS: Mr. Chairman, I would like to ask  
11 Mr. Charno on what basis he makes the statement that these  
12 papers were received by the government as attachment.

13 I was not aware that any representative of  
14 Duquesne Light appeared and specifically identified an  
15 attachment. We produced a great many documents.

16 I think it has been clear from everything I have  
17 seen here that the exact arrangement of papers was not  
18 necessarily that which might have occurred in original  
19 files. I wonder whether he is only saying that the government  
20 understood these to be attachments or what the story is.  
21 I certainly wouldn't want him to --

22 CHAIRMAN RIGLER: You can't play games with  
23 the Nuclear Regulatory Commission that way. I will let him  
24 answer the question. But I would take it as a  
25 weaseling approach of any Applicant for a nuclear license,

1 and think beyond antitrust proceedings to safety  
2 proceedings if papers which appear to be an attachment are  
3 disclaimed as an attachment at some subsequent date.

4 I will let you ask the question as to  
5 why he believed these to be attachments. But if they were  
6 delivered in a fashion so that a reasonable man would assume  
7 they were attachments, then I think the burden might be on  
8 the Applicant to indicate otherwise.

9 MR. OLDS: That may well be the case, but I  
10 don't know it to be the case. He makes a statement on  
11 the record that they were attachments, and I want to know  
12 the basis.

13 CHAIRMAN RIGLER: That is a fair request, and  
14 we will permit you to ask it.

15 MR. CHARNO: The attachment was by means of a  
16 staple. DJ 609 was stapled directly to Applicant's 117,  
17 and Applicant's 118 was stapled together as the next document  
18 in order as they were supplied to us.

19 Since DJ 609 makes reference to both of the  
20 reports, we assumed that DJ -- that Applicant's 118 was  
21 the second report.

22 CHAIRMAN RIGLER: All right. But at least as to  
23 which one --

24 MR. CHARNO: As to Applicant's 117, it was  
25 attached to DJ 609.



1 CHAIRMAN RIGLER: It was directly stapled to 609.  
2 Mr. Olds, a reasonable man might assume that was  
3 an attachment to the letter if that is the form in which  
4 Applicant --

5 MR. OLDS: Whose file did it come from?

6 MR. CHARNO: We had no access to any Duquesne  
7 documents from anybody else's files until the proceeding  
8 had started.

9 MR. OLDS: I don't understand.

10 MR. CHARNO: Until evidence was put in the record  
11 from the Borough of Pittsain files, we had access to Duquesne  
12 documents solely from Duquesne files.

13 MR. OLDS: I agree the Department is not  
14 unreasonable in believing that a paper attached by a staple,  
15 regardless of who did the stapling, but I guess the presump-  
16 tion is fairly that that is the way it was all along.

17 I have no personal knowledge of it. I would submit  
18 that I think we are making a deal deal out of a small point.

19 I don't mean to extend it. I only raise the  
20 question what the basis was. The basis having been stated  
21 on the record, that the matter is adequately clear as far  
22 as I'm concerned.

23 CHAIRMAN RIGLER: Let's go back to Mr.  
24 Reynolds' objection and I had asked if the report  
25 would read the pending question.

1 (Whereupon, the reporter read the  
2 pending question, as requested.)

3 MR. OLDS: I object. It isn't several weeks  
4 after the 12th. It is one and a half weeks after one, and  
5 two and a half weeks after the other.

6 MR. REYNOLDS: My objection went to the  
7 reference of those reports. I believe what we have on  
8 the basis of the correspondence is DJ 608 which is a transmittal  
9 of two reports, and the indication on 609 may well be it is  
10 those reports they are talking about as being revised and  
11 sent back.

12 The attachments to the 608 are dissimilar from  
13 Applicant's 117 and 118. It was that that prompted me to  
14 get up and raise what I think is a serious question about a  
15 general reference to those reports in the context of what  
16 the Department knows to be the attachments that were to  
17 the different correspondence.

18 CHAIRMAN RIGLER: I don't think it has been  
19 established which attachments were attachments to which.  
20 I think the line is perfectly proper. The objection is  
21 overruled.

22 BY MR. CHARNO:

23 Q I think you may be a little confused by  
24 counsel's reference. I would like the question answered  
25 with respect to Applicant's 117, 118, and DJ 609. No

1 reference was in my question at all to DJ 608.

2 CHAIRMAN RIGLER: What is the question?

3 BY MR. CHARNO:

4 Q I will restate the question.

5 You testified that as far as you know,  
6 Applicant's 117 and 118 are final reports. Is your  
7 testimony changed by the fact that the May 27, 1969  
8 letter, which is DJ 609, refers to a revision of those  
9 reports on May 23, 1969?

10 MR. REYNOLDS: I object.

11 CHAIRMAN RIGLER: Overruled.

12 THE WITNESS: I would have to say that my  
13 recollections with respect to DJ 609, I don't recall the  
14 details of that. I don't recall what the attachments  
15 were specifically, and what any changes, if they were  
16 changes, were made. I can't really answer from my  
17 knowledge here today as to whether there is a change in  
18 the reports or not.

19 BY MR. CHARNO:

20 Q Do you still believe that Applicant's  
21 117 and 118 are the final version of those reports?

22 A I have no recollection of any other, and so  
23 based on my knowledge today, yes, this is, to the best of  
24 my knowledge, the final reports.

25 MR. CHARNO: Would this be an appropriate place

1 to break for lunch?

2 CHAIRMAN RIGLER: The Board has one or two  
3 questions on these particular documents first.

4 Have you reviewed Exhibits 117 and 118 in connec-  
5 tion with your testimony today?

6 THE WITNESS: Yes, sir.

7 CHAIRMAN RIGLER: Do they reflect your style of  
8 writing?

9 THE WITNESS: Yes, sir.

10 CHAIRMAN RIGLER: Are there any portions of those  
11 which on your review -- and you may review them again  
12 right now -- which suggest additions or corrections or  
13 different phrasing from what you originally included in  
14 your draft?

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1 MR. REYNOLDS: Mr. Chairman, as I understand  
2 it, we are talking about reports that the Witness used  
3 in refreshing his recollection when he was on the stand,  
4 and in questioning by the Department, they were  
5 turned over and, in order for the Board and parties to see  
6 what the material was, for that convenience they were put  
7 into evidence.

8 What is the relevance of this whole line of  
9 questioning?

10 CHAIRMAN RIGLER: These are Board questions.  
11 The board is not required to explain relevance.

12 MR. REYNOLDS: I understand you are  
13 not required. I wondered if you were disinclined to do  
14 so.

15 CHAIRMAN RIGLER: We are disinclined to do so.

16 THE WITNESS: I cannot locate or identify any  
17 specific section of this report which would be foreign  
18 to my style of writing, as such.

19 CHAIRMAN RIGLER: Let me ask a second question with  
20 respect to Exhibit 117.

21 Will you look at your own letter to Mr. Gilfillan  
22 of May 12, which is DJ-608?

23 Can you tell us if that was prepared on your  
24 office typewriter or the typewriter that your  
25 secretary would have been using?

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1 THE WITNESS: I try to remember the type that  
2 we had. Characteristically, the large type, as reflected  
3 in the memo, is the type that we have in the Planning  
4 Department.

5 Now, the -- I can't say, specifically, that we  
6 do not have a machine that typed the letter of May 12,  
7 1969.

8 But, as I say, our basic typing is the large  
9 type, as reflected in the memo.

10 CHAIRMAN RICLER: Mr. Olds, I'm going to give  
11 you an opportunity to confer with Mr. Munsch, who is sitting  
12 with you and who is apparently an addressee of some of the  
13 correspondence we have been discussing.

14 The Board thinks this might be a basis for  
15 concluding that Applicants 117 was, in fact, typed on  
16 the typewriter used by Mr. Cramer at Read, Smith, in  
17 his May 27 letter.

18 We are comparing in particular the way some of  
19 the initial capitals have a tendency to drop down in the type.

20 It looks to us as if there are distinctions which  
21 may be observed which suggest that : now is designated  
22 as Applicants Exhibit 117 was typed by the same typewriter  
23 that Mr. Cramer was using when he sent his cover letter  
24 of May 27.

25 If that is the case, we would like your



bw3 1 confirmation on that. Maybe we will break for lunch to  
2 give you an opportunity to explore that with Mr. Munsch.

3 MR. OLDS: I'm happy to make the effort,  
4 Mr. Rigler.

5 I'm not an expert, although I had an interesting  
6 case years ago which involved a charge that a will had been  
7 forged on a typewriter.

8 I called expert witnesses on the matter.

9 It is a fascinating field, but it is a little  
10 more difficult than being able to look.

11 CHAIRMAN RIGLER: Maybe you have expert assistance  
12 right there at your shoulder.

13 MR. OLDS: Our office uses, I think, IBM  
14 typewriters.

15 I do not think they are an uncommon type of  
16 typewriter.

17 I don't know that consulting with Mr. Munsch  
18 would enable me to respond or not.

19 CHAIRMAN RIGLER: I want to direct your attention  
20 to the -- are you a lawyer, sir?

21 THE WITNESS: No.

22 CHAIRMAN RIGLER: You have no legal training?

23 THE WITNESS: No legal training.

24 CHAIRMAN RIGLER: Directing your attention to the  
25 second paragraph on the first page of 117, do you ordinarily

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1 include such disclaimers in your memoranda in that language,  
2 or is it possible that that language was a result of a  
3 discussion between you and an attorney?

4 THE WITNESS: I do this as a result of my  
5 exposure to a lot of these situations.

6 No, it would not surprise me that I would  
7 put such a disclaimer in, because I was using and  
8 incorporating data from other companies, without their  
9 concurrence.

10 CHAIRMAN RIGLER: How long would you like for  
11 lunch today?

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ar11 MR. OLDS: I would hope we could finish  
2 this witness and Mr. Stark today. Mr. Stark's testimony  
3 will be, I think, rather short, but we would like to, and  
4 hopefully thereby be able to conclude this portion of the  
5 presentation of the of the case. I will abide by the Board's  
6 discretion in this matter, but I hope it is not an extended  
7 period for lunch.

8 MR. CHARNO: I think it is highly unlikely that  
9 Mr. Dempler's cross-examination will be concluded today  
10 if we have to go through Mr. Bingham's testimony.

11 MR. LESSY: One further thing. As the final  
12 witness for Duquesne in the transmittal letter by Mr.  
13 Reynolds, is Mr. Munsch, do I understand you no longer  
14 presently intend to call him?

15 MR. OLDS: I do not presently intend to call  
16 Mr. Munsch as a witness.

17 MR. LESSY: Thank you, sir.

18 CHAIRMAN RIGLER: If it becomes relevant to  
19 clearing up the mystery of the revised drafts or single  
20 drafts, whatever they were, the Board may ask you to call  
21 Mr. Munsch for that limited purpose.

22 MR. OLDS: If it is the Board's pleasure, I  
23 would be happy to.

24 May I make one statement on the record?

25 I would urge again that all parties to the  
proceeding, and the Board, recall the fact that we did not

1 offer these memoranda as any kind of an exhibit or  
2 justification for any action taken. It is the Department  
3 of Justice who asked what it was that the witness was  
4 looking at on the stand. He was examined extensively about  
5 it.

6 CHAIRMAN RIGLER: But the witness' whole line  
7 of testimony up to that point had concentrated on the  
8 studies he made with respect to the Pitcairn request, hadn't  
9 it?

10 MR. OLDS: That's correct.

11 CHAIRMAN RIGLER: He tells us this is the  
12 written summary. We know his memory is poor in some areas.  
13 He has conceded he can't remember many of these details.  
14 Now he is referring to the written reported recollection.  
15 It is perfectly fair.

16 MR. OLDS: I agree with that, Mr. Rigler.  
17 I observe, however, I cannot honestly see what different  
18 he makes whether he recorded his recollection on the 13th  
19 of May, 1969 or on the 23rd of May, 1969, or the 27th, or  
20 any other particular date.

21 CHAIRMAN RIGLER: I will tell you what some of  
22 the problems are. The problem is that witness testified  
23 directly and unequivocally that he did not prepare this at  
24 the request of a superior, but prepared it for his own  
25 use for his own file. That was the state of the testimony

1 when you concluded your direct.

2 Now it turns out there has been consultation  
3 on this with certain lawyers, there have been circulations of  
4 drafts and it is suggested that this was discussed with the  
5 witness and his lawyers in a collateral matter, namely an  
6 antitrust suit.

7 It suggests the reported recollection may be  
8 tailored to a purpose entirely different than that suggested  
9 when the direct testimony concluded.

10 MR. OLDS: I do not think that/<sup>in</sup>any part of the  
11 direct I offered testimony about the preparation of this  
12 memorandum or suggested that.

13 Those answers you referred to were elicited in the  
14 course of cross-examination.

15 CHAIRMAN RIGLER: They were elicited in answers  
16 to the Board, but the answers still are incorrect,  
17 apparently. It doesn't matter whether they came out on  
18 direct or not. They do go to the witness' credibility,  
19 don't they?

20 MR. OLDS: I hadn't realized inconsistency  
21 with what came out and what the witness stated. The fact  
22 that a man prepares something for his own file and that  
23 that matter is discussed with other persons, the fact that  
24 one of those persons is an attorney, the fact that this  
25 was the subject of litigation, I don't see how that destroys



1 his credibility as to the occasion of the preparation of  
2 the paper.

3 CHAIRMAN RIGLER: Look at 608. The witness  
4 is circulating this to other officials and  
5 outside attorneys. He is asking for suggestions and  
6 comments. He was characterizing them as first drafts.  
7 That was not the impression I had at the conclusion of  
8 his direct testimony or at the end of his answer to me  
9 as to the purpose for which they were prepared or the  
10 circulation of them.

11 MR. REYNOLDS: That is the point I was making.  
12 608 had attached to it different documents. The government  
13 has, I think, left the impression with the Board that 608  
14 had attached to it these documents. I got up and made  
15 the statement, hoping we could get it clarified, because  
16 I felt you had that misimpression. That is the thing I  
17 referred to 609 to indicate to you that 609 may well have been  
18 attached -- had attachments that were addressed to what  
19 was attached initially in 609.

20 But the attachments to 608 were something different.  
21 That is why we are having trouble in understanding the  
22 relevance of what we are going into, and there is a breakdown  
23 of communication.

24 CHAIRMAN RIGLER: We want to see the attachment  
25 to 608 if we are available.



1 MR. REYNOLDS: I tried to urge we get that  
2 illumination, but I didn't get cooperation on it. I didn't  
3 mean from the Board.

4 CHAIRMAN RIGLER: I think the Department is  
5 entitled to test the recollection of the witness before  
6 they do it. I agree at some point it will be important  
7 to have both drafts.

8 MR. CHARNO: I would note one further factor  
9 that seems to have slipped by. The witness testified he did  
10 not submit his report in final and did not recall submitting  
11 his report in draft to anyone else, any of his superiors.  
12 I think that testimony has been substantially shifted also.

13 MR. OLDS: That was that last statement.

14 (Whereupon, the reporter read from the  
15 record, as requested.)

16 MR. OLDS: I strongly disagree. I don't  
17 think the witness has shifted his testimony.

18 MR. LESSY: I would like to make a statement off  
19 the record.

20 (Discussion off the record.)

21 (Whereupon, at 1:30 p.m., the hearing  
22 was recessed, to reconvene at 2:30 p.m., this  
23 same day.)

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AFTERNOON SESSION

(2:30 p.m.)

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3 MR. OLDS: You suggested that the Board wished  
4 me to consult with Mr. Munsch, because he was mentioned  
5 in a piece of correspondence.

6 I have spoken to Mr. Munsch, and I can state,  
7 if he were called as a witness that he has no personal  
8 memory of any of the circumstances suggested.

9 He does not recall receiving any particular  
10 letter, nor does he recall participating in any meeting  
11 on the subject.

12 I regret he was not able to assist me in trying  
13 to straighten the circumstances out.

14 CHAIRMAN RIGLER: All right.

15 MR. CHARNO: At this time the Department would  
16 like to offer for identification as DJ-610 a multi-page  
17 document which bears on the first page the caption  
18 "Duquesne Light Company System Planning Department, Borough  
19 Participation -- Pitcairn Borough Participation in CAPCO."

20 It bears the legend in the upper right-hand  
21 corner, "Draft."

22 (The document referred to was  
23 marked Exhibit DJ-610 for  
24 identification.)

25 MR. CHARNO: The Department offers DJ-610 as the

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1 entire attachment to NF-608, and we would note that again,  
2 these were stapled together when received.

3 MR. OLDS: For the record, Mr. Rigler, if the  
4 Board believes it serves some purpose, I don't object,  
5 because I have no doubt as to the authenticity of the  
6 documents.

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arl 1                   I would urge again that I do not see the  
2                   great relevance of the matter. The Board has indicated it  
3                   believes that it fairly bears in some respect on the  
4                   witness' credibility and that being a very broad ground  
5                   for the introduction of papers, I can understand that  
6                   the Board might feel that it was thus limitedly relevant.

7                   I don't object to the authenticity of it. I want  
8                   to make clear we do not consider it relevant and for  
9                   that reason, we would object.

10                   CHAIRMAN RIGLER: You are objecting to its  
11                   introduction into evidence, which the Department has not  
12                   done on the record just yet.

13                   MR. OLDS: I beg your pardon.

14                   CHAIRMAN RIGLER: Had you moved its admission  
15                   into evidence?

16                   MR. CHARNO: Yes, we are.

17                   CHAIRMAN RIGLER: I'm sorry. I thought he was  
18                   just identifying it.

19                   MR. OLDS: I thought he moved it into evidence  
20                   and that is why I was speaking.

21                   MR. CHARNO: I had not moved it into evidence  
22                   yet.

23                   MR. CHARNO: You asked if the Department was going  
24                   to.

25                   CHAIRMAN RIGLER: I asked if you had.

1 MR. CHARNO: We have not.

2 MR. OLDS: I withdraw my objection, since it was  
3 obviously not germane.

4 Whereupon,

5 WILLIAM G. DEMPLER

6 resumed the witness stand and, having been previously duly  
7 sworn, was examined and testified further as follows:

8 CROSS-EXAMINATION (Continued)

9 BY MR. CHARNO:

10 Q Mr. Dempler, before we went into our discussion  
11 of which draft was prepared at which time and what constituted  
12 the final copy, final version of your study, I had asked a  
13 question concerning when you had been informed of the  
14 possible use of your study in litigation.

15 Let me reform that question now and ask it again.

16 Were you informed of the possible use of your  
17 study in litigation before or after May 27, 1969?

18 A I don't remember specifically.

19 Q Do you recall the context in which you were  
20 informed?

21 A No, I don't recall the details of it.

22 Q Previously in my cross-examination, I believe  
23 that you testified that you did not believe that a method of  
24 comparing reserves of two systems which was based upon equal  
25 percentage reserves was a good method to employ.

1 A That's correct.

2 Q Sir, do you recall suggesting to the members of  
3 CAPCO that they employ an equal percentage reserve system?

4 MR. REYNOLDS: I will object to that question.

5 CHAIRMAN RIGLER: Basis?

6 MR. REYNOLDS: I think it is based on the  
7 fact that it is outside the scope of direct. As the  
8 question is formulated, it doesn't have any relationship  
9 to Mr. Dempler's prior testimony as rephrased by Mr.  
10 Charno.

11 I don't have objection to his rephrasing the  
12 question, but whether you determine on an equal percentage  
13 basis reserves and whether you view comparison of reserves  
14 in a manner talked about earlier is two different things.

15 MR. LESSY: I didn't hear a thing Mr. Reynolds  
16 said.

17 CHAIRMAN RIGLER: I couldn't hear you, either.  
18 Let the reporter read it back.

19 MR. REYNOLDS: I will restate it. I don't mind  
20 her reading it back, but I can short-form it and expedite  
21 this afternoon session.

22 The question, as I understand it, went to  
23 Mr. Dempler's suggestion to the CAPCO that they allocate or  
24 determine reserves on an equal percentage basis. That, it  
25 seems to me, is an area different from his analysis or



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1 assessment of -- I'm sorry -- his representation or  
2 discussion of reserve capacity as a percentage or as  
3 some other method.

4 In other words, I think we are getting into a  
5 discussion here or line of questioning here that goes  
6 to how you allocate or don't allocate reserve responsibility.  
7 That is something different from the area that we were  
8 talking about earlier where you were expressing reserves  
9 once you had an allocation of them on either a percentage --  
10 in a percentage manner or in some other manner.

11 I don't mind if we want to get into with some  
12 witness and there is certainly expert testimony that has been  
13 filed, as to how you allocate reserves and the methods to  
14 be used.

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1                   That is different than what Mr. Dempler was talking  
2 about, when he said, once you go through calculations, you  
3 express your conclusions as a percentage or number or some  
4 other form of expression.

5                   MR. CHARNO: That is what he testified.

6                   He went one step beyond that, and he said he  
7 believed that the comparison of percentage reserves was an  
8 invalid method of determining whether someone had adequate  
9 reserves.

10                  I believe I'm not asking him, if he suggested  
11 precisely that method of comparing reserves, i.e.,  
12 equal percentage reserves for the Applicants in this  
13 proceeding.

14                  CHAIRMAN RIGLER: Overruled.

15                  MR. CHARNO: I will restate the question to  
16 save time.

17                  BY MR. CHARNO:

18                  Q     Mr. Dempler, do you recall suggesting that  
19 the Applicants, in formulating the CAPCO pool employ a  
20 reserve allocation method, based upon equal percentage  
21 reserves?

22                  MR. REYNOLDS: I will object to that.

23                  Objection.

24                  CHAIRMAN RIGLER: Overruled.

25                  THE WITNESS: Prior to the signing of the  
memorandum of understanding in September or November of

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1 1967, we were going through a process of exploring  
2 various means and methods by which a pool could be  
3 formed.

4 I believe early in 1967 we did put  
5 out an outline of the basis for a formation of a pool  
6 which did include, among other things, the reference to  
7 an equal percent reserve.

8 MR. CHARNO:

9 Q So is the answer, yes, you did suggest that  
10 as a basis?

11 A I suggested that as one of the aspects to be  
12 explored in forming the pool.

13 CHAIRMAN RIGLER: So the answer is yes?

14 THE WITNESS: Yes.

15 MR. REYNOLDS: I don't have any problem with  
16 a yes answer, if the Witness is clear on what the word that  
17 meant when he was asked the question.

18 The question was, you express that as a basis.  
19 The Witness is answering yes. Is the Witness clear as to  
20 what that refers to?

21 THE WITNESS: As I understand the question,  
22 that refers to the specific reference of equal percent  
23 reserve.

24 MR. CHARNOFF: That was the manner in which the  
25 question was intended, yes.

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BY MR. CHARNO:

2 Q Sir, on direct testimony, you testified that  
3 CAPCO had a planned installed reserve capacity of 1988  
4 megawatts; is that correct?

5 A That's correct.

6 Q What was the date of that, that it would have  
7 that planned capacity?

8 A There was a projected planned capacity to be  
9 available in 1971.

10 Q And what was the CAPCO installed reserve  
11 capacity in 1971?

12 A The projected -- the planned installed generating  
13 capacity for CAPCO in the memo I have, 10,979 megawatts.  
14 I believe in the typing of this, the numbers have been  
15 transposed. I believe the correct value is 10,797  
16 megawatts.

17 Q So there were 10,9--

18 A 10,797 megawatts.

19 CHAIRMAN RIGLER: Where did you pick up that  
20 discrepancy?

21 THE WITNESS: That appears on page 5 of the  
22 memo which relates to CAPCO.

23 MR. OLDS: What is the exhibit number as shown  
24 on the first page?

25 THE WITNESS: Exhibit 117.

1 BY MR. CHARNO:

2 Q Sir, in your answer you said that was the  
3 planned capacity. Was that a misstatement?

4 A Well, it was a projected figure to be available  
5 in 1971.

6 Q All right.

7 Now, what was the actual installed generating  
8 capacity for CAPCO in 1971?

9 A I don't have that actual figure available.

10 Q Was it 10,000 megawatts? Was it as high as  
11 10,000 megawatts?

12 MR. REYNOLDS: I will object.

13 CHAIRMAN RIGLER: Overruled.

14 THE WITNESS: All I can say is I would estimate,  
15 yes, it was at least 10,000. As an estimate, the figure  
16 here includes the project effect of Sammis No. 1 generating  
17 unit, which is the first unit in the CAPCO arrangement.

18 Q Was the Sammis generating unit in operation in  
19 1971?

20 A Yes, it was cut in service in 1971.

21 Q So is it your testimony to the best of your  
22 knowledge all of the facilities that in 1969 were projected  
23 for 1971 were in fact in operation in 1971?

24 MR. OLDS: Mr. Rigler, may I object to this?

25 I do not think this is legitimate cross-examination. The



1 witness testified he made the study on the basis of a  
2 comparison of the capacity of Pitcairn to the planned capacity  
3 of CAPCO.

4 I do not see what difference it makes whether  
5 in fact in 1971 the plan had been precisely fulfilled or  
6 had failed substantially or had been exceeded. The witness  
7 didn't subscribe to any position on that. This can't  
8 legitimately question his testimony.

9 MR. CHARNO: I'm not trying to impeach the  
10 witness' credibility at this time. I'm trying to explore  
11 how realistic the assumptions employed in the study  
12 actually were. And the basis for comparison between the  
13 two systems. 1967 actual figures for Pitcairn and 1971  
14 projected figures.

15 CHAIRMAN RIGLER: In that case, I think the  
16 objection is well founded. Sustained.

17 May I ask a question at this point?

18 Earlier this morning the witness, I think, handed  
19 up his copy of exhibits 117 and 118. I thought there was a  
20 pencilled notation on one of those correcting a typo error.

21 THE WITNESS: That was the correction I have  
22 noted here.

23 CHAIRMAN RIGLER: My question is where did you get  
24 the correct information and what caused you to pencil in  
25 that notation?



1 THE WITNESS: If you follow the arithmetic in  
2 the tabulation, working back to the basic figure, it is an  
3 obvious error. The effective load-carrying capability is  
4 10,897 megawatts. We had a firm power purchase of 100  
5 megawatts. So in terms of installed capacity, the value would  
6 be 10,797 megawatts.

7 CHAIRMAN RIGLER: Did you make the pencilled  
8 correction?

9 THE WITNESS: Yes, sir.

10 CHAIRMAN RIGLER: When did you do it?

11 THE WITNESS: I believe I did that recently.  
12 In reviewing, in looking over this memorandum to refresh  
13 my memory on these numbers.

14 CHAIRMAN RIGLER: Did you catch the arithmetical  
15 error in your own memorandum, or did you notice it because  
16 you were comparing it to some other figures?

17 THE WITNESS: No, I simply noted  
18 the incorrect typing here. I haven't attempted to correct  
19 the basic memo. I simply noted the obvious error.

20 CHAIRMAN RIGLER: Without reference to any other  
21 materials that you had?

22 THE WITNESS: That's correct.

23 BY MR. CHARNO:

24 Q Sir, we are going to be handing you a copy of  
25 Exhibit DJ 610, and I would like you to examine that document

1 and tell me whether you recall having prepared it.

2 MR. OLDS: May I observe the document is at least  
3 20 pages long? May I suggest a five-minute recess to  
4 permit the witness to do this?

5 CHAIRMAN RIGLER: Let's not take a recess.  
6 Let's give the witness as much time as he needs. He can  
7 indicate from the witness stand when he's satisfied he's  
8 able to answer the question.

9 (Pause.)

10 MR. OLDS: Lest you feel otherwise, I want to  
11 make it clear I was trying to make it obvious by your ruling  
12 that the witness would understand he had adequate time  
13 to review.

14 CHAIRMAN RIGLER: I hope my ruling made that  
15 clear.

16 MR. OLDS: I didn't want him to think everybody  
17 was here sitting impatiently for him to hurry on.

18 CHAIRMAN RIGLER: He may have as much time as  
19 it takes him to satisfy himself before he answers the  
20 question.

21 THE WITNESS: I would have to say yes, I  
22 prepared this memorandum. With the possible exception of  
23 minor diagrams, which were prepared, which carry the  
24 initials of other people than myself, but which were  
25 prepared under my direction.

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BY MR. CHARNO:

Q Do you recall forwarding all of DJ 610 with the cover letter which has been designated DJ 608, that is your May 12 memo, to the people named in the May 12 memo?

A I do not recall that, no.

Q Do you recall what was attached to DJ 608?

A No, I do not.

Q Can you testify that DJ 610 was not attached to DJ 608?

A I cannot testify that it was not attached. I simply do not remember the details of the arrangements which led to these developments.

Q Earlier, Mr. Dempler, you testified that Duquesne Light has a five megawatt unit.

Pursuant to the CAPCO memorandum of understanding, is Duquesne Light credited with five megawatts of value for that five-megawatt unit?

A That is listed -- that was listed in the capacity available on the Duquesne Light system.

Q Is Duquesne Light credited with five megawatts for that five-megawatt unit?

A I believe in the normal calculations it probably would. Although, as I say, I'm not certain as to the actual treatment of that. The facts are, of course, that it is

1 not normally available on the summer peak.

2 Q Sir, let me direct your attention to the two  
3 pages of DJ 610 which precede the handwritten pages.

4 MR. OLDS: Mr. Charno, are you asking the witness  
5 a question or asking him to merely review the pages?

6 MR. CHARNO: I'm directing his attention to them.  
7 Now that he has found them, I will direct a question to him.

8 BY MR. CHARNO:

9 Q Is the five megawatt unit to which you have  
10 referred in your testimony designated as Stanwin,  
11 S-t-a-n-w-i-x?

12 A That's correct.

13 Q Do those pages reflect your recollection as to  
14 whether or not in fact you are given credit for the value  
15 of that five megawatt unit pursuant to the memorandum of  
16 understanding?

17 A As reflected in the memorandum of understanding,  
18 no, we received zero credit.

19 To that degree, my recollection has been faulty.

20 Q With respect to periods C and D, do you receive  
21 credits in those periods?

22 A We receive credit in this particular period  
23 which, as I pointed out, if you look at the dates, they  
24 relate essentially to a winter condition, where this  
25 capacity would be available.

1 Q And for periods after period D, do you receive  
2 credit for that five megawatts of generation specifically?

3 A It is indicated that it is included in here  
4 as being used for CAPCO studies subsequent to period D.

5 Again I will have to say this, though, for the  
6 total time after period D, I'm not sure at this time as  
7 to the exact treatment. It may well have been reflected, as  
8 we did in the previous period, namely receive zero credit  
9 during the summer periods and five megawatt credit during  
10 the fall and winter periods.

11 Q Whether or not Duquesne Light is credited with that  
12 five megawatts depends on whether the unit is running or not  
13 by virtue of the season rather than the size of the unit?

14 A Well, that is essentially correct, yes, sir.

15 Q Did Duquesne Light have any 345 kV transmission  
16 in operation in 1967?

17 A Not in 1967.

18 Q What was the first -- pardon me. When was the  
19 first 345 kV transmission put into operation on Duquesne's  
20 system?

21 A It must have been -- it was approximately in the--  
22 around 1970. I don't recall the exact date when the first  
23 line was cut in service.

24 Q Was that built as part of CAPCO or was that  
25 an individual line owned by Duquesne Light?

1           A       There were two lines involved. One was an  
2 interconnection with Ohio Power which we had constructed  
3 several years earlier. It was initially constructed  
4 for 345 kV, but was operated at 138 kV. Along around 1970  
5 we did in fact convert that to 345 kV operation.

6                       Also associated with the cut-in of the Samsis  
7 Unit, we constructed a new interconnection from our Beaver  
8 Valley station to the Samsis Power Station.

9           Q       Were either or both of those lines an all-CAPCO  
10 line under the memorandum of understanding?

11          A       Well, that is hard to define specifically for  
12 this reason:

13                       These were part of an initial package of  
14 transmission which each of the parties contributed. I'm  
15 not sure right now without looking at the records as to  
16 whether the Beaver Valley-Samsis line is 100 percent CAPCO  
17 or not.

18          Q       With respect to the line that interconnects  
19 with Ohio Power, is that one 100 percent, 50 percent, or none?

20          A       No, that is a Duquesne Light line.

21          Q       What was the voltage of your interconnections in  
22 1967 with other electric utilities?

23          A       We had 138 kV interconnection with Ohio Power.  
24 In 1967 I believe we also had the -- yes, we had the inter-  
25 connection from our Elrama to Mitchell, Elrama Station on



1 the Duquesne Light system to the Mitchell Station on the  
2 Allegheny Power System. That was 138.

3 We had an interconnection between our Valley  
4 Substation and Pennsylvania Power which is 69 kV.

5 Q Earlier you testified as to the capacity of a  
6 138 kV line. Could you tell us what the capacity is of a  
7 345 kV line?

8 A Basically as we are building them, approximately  
9 1000 megawatts.

10 Q Did you earlier testify that a 138 kV line  
11 would be greater than anything Pitcairn would require?

12 A I believe I indicated that the probable  
13 capability of such a line would amount to approximately 300  
14 megawatts compared to their Pitcairn load of 1.7 megawatts.

15 It would be obviously greatly in excess of  
16 anything Pitcairn would require.

17 Q Would that be even more true of a 345 kV  
18 line?

19 A Yes.

20 Q Are you aware of any reason on the Pitcairn  
21 system for that system to install transmission capacity  
22 at 345 kV?

23 A Would you repeat that question, please?

24 (Whereupon, the reporter read the  
25 pending question, as requested.)

1 BY MR. CHARNO:

2 Q Are you aware of any engineering reason  
3 why the Borough of Pitcairn might in 1967 or any time  
4 thereafter have needed to install 345 kV transmission  
5 capacity?

6 A I can't visualize any reason why they should  
7 want to do this.

8 Q Is there any engineering reason of which you are  
9 aware that one CAPCO member must be interconnected with  
10 another CAPCO member at 345 kV?

11 A There is no specific requirement stated in that  
12 way. The CAPCO arrangement in terms of providing transmis-  
13 sion, basically is directed towards the providing of the  
14 necessary 345 kV transmission required to carry out the  
15 CAPCO function.

end 25

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1 Q Well, sir, let me ask you if an electric entity had  
2 no needs, internally, within its system for 345 kv  
3 transmission and paid for a proportional share of the CAPCO  
4 345 kv transmission, could it acceptably become a member  
5 of CAPCO and carry its share under the CAPCO agreement?

6 MR. OLDS: Could you read that rather long  
7 question back, please?

8 (Whereupon, the reporter read the pending  
9 question as requested.)

10 THE WITNESS: I can't answer that question.  
11 The CAPCO memorandum does not address itself to addition  
12 of any other entities.

13 There are, as I currently remember, no specific  
14 requirements for membership or anything of this nature.

15 The basic agreement simply describes an arrange-  
16 ment between the four CAPCO parties.

17 CHAIRMAN RIGLER: I have a little trouble with that  
18 answer, because if that is the sum of your testimony,  
19 why did you engage in this study during 1963 and '69 with  
20 respect to the engineering capability of Pitcairn to fit in  
21 with the CAPCO system?

22 THE WITNESS: We had not received any request  
23 for additional membership in CAPCO and to the best of my  
24 recollection, this request from Pitcairn was the first  
25 request we received. And, frankly, we just had not considered

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1 the problem at that time.

2 CHAIRMAN RIGLER: I'm still left hanging.

3 But, then you considered the problem in '68  
4 and '69.

5 You specifically studied it?

6 THE WITNESS: That is correct.

7 CHAIRMAN RIGLER: And the question that was just  
8 asked related to some conclusions you described earlier about  
9 Pitcairns' inability to fit in with that system?

10 THE WITNESS: My judgement, with relation to  
11 Pitcairn were related to what they had to bring to the pool  
12 and offer to the pool, as to the value of these in  
13 real value, as to whether they could contribute anything  
14 significant to the pool.

15 CHAIRMAN RIGLER: Right, and when Mr. Olds  
16 was exploring this with you this morning, wasn't one of the  
17 deficits that you perceived their lack of any transmission  
18 facilities in the range being employed by the CAPCO companies?

19 THE WITNESS: That is correct, based on the  
20 current understanding of the memorandum.

21 CHAIRMAN RIGLER: We go from this to the  
22 question Mr. Charno just posed, where he is asking if the  
23 actual use of 345 was essential to the proper functioning  
24 of that agreement, as long as a member was willing to  
25 pay its proportional share of the 345 transmission system.

1 MR. REYNOLDS: Then what?

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2 THE WITNESS: I believe the question was raised  
3 in a broader concept.

4 MR. REYNOLDS: You asked a half question which  
5 didn't complete Mr. Charno's.

6 Now I'm confused.

7 CHAIRMAN RIGLER: Let's go back to Mr. Charno's,  
8 if we may.

9 (Whereupon, the reporter the pending  
10 question, as requested.)

11 CHAIRMAN RIGLER: The answer I got to Mr. Charno's  
12 was, since the CAPCO agreement contemplated only four or  
13 five companies, it didn't make any difference what the answer  
14 was from an engineering point of view. But I want to  
15 get that answer from the engineering point of view.

16 MR. REYNOLDS: I don't want to -- I don't  
17 want to jump in, but only to clear up the confusion  
18 that has resulted in my mind.

19 As I understood where you were going in trying to  
20 bring Mr. Dempler up to where I thought he was, you indicated  
21 if the entity could contribute to a 345 line, in terms of  
22 paying its proportionate share, and then you left it  
23 hanging. I had thought you were going to say would that  
24 eliminate one factor he had considered as being an element  
25 in his evaluation. That would be, as I understand it.

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1 different from Mr. Charno's question, which was answered,  
2 of whether that would solve the problem and, therefore,  
3 mean the entity could come in and assume his share of  
4 responsibility under the agreement.

5 I think that the problem I had is because you did not  
6 finish off the questions that you were asking. I wasn't sure  
7 where we were.

8 But there is a difference.

9 CHAIRMAN RIGLER: If you are suggesting that  
10 transmission is just one of the factors the Witness  
11 cited this morning, that is correct.

12 MR. REYNOLDS: That is what he did. That is where I  
13 thought you were going.

14 If not, that is fine.

15 I think it is different from where Mr. Charno  
16 left him, when he asked him, if you pay the amount, does  
17 that solve all of the problems.

18 I believe that was the nature of his question.

19 CHAIRMAN RIGLER: I will let him rephrase it  
20 or we can read it back. Which would be better?

21 (Whereupon, the reporter read from the  
22 record, as requested.)

23 MR. OLDS: Perhaps part of the problem, Mr. Rigler,  
24 is that it is possible to presume that Mr. Charno's question  
25 is intended to be limited only to the transmission problem,



1 but it is unsure that that is the way it is limited.

2 It is broad in its phraseology and could  
3 conceivably go to the whole question of membership.

4 CHAIRMAN RIGLER: You are saying it is predicated  
5 on an assumption that the other membership qualifications  
6 are met and that has yet to be established for Pitcairn;  
7 is that your point?

8 MR. OLDS: It is possible that there is that  
9 confusion.

10 CHAIRMAN RIGLER: Okay.

11 Let's make that assumption and get an answer to  
12 his question.

13 MR. REYNOLDS: I was just asking for clarification.

14 THE WITNESS: Is your question directed to  
15 Pitcairn or to the very broad concept of any entity?

16 MR. CHARNO: My question was any electric  
17 utility.

18 MR. OLDS: And all other possible conditions are  
19 favorable to membership; is that correct?

20 CHAIRMAN RIGLER: Right.

21 MR. OLDS: Is that a fair assumption the Witness  
22 is to make, Mr. Charno?

23 MR. CHARNO: All of the other problems he raised  
24 are not problems. The only problem is the ability, the lack  
25 of presence of 345 transmission facilities.

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1 THE WITNESS: Acceptance of membership would --  
2 I would only reflect what you might say our feeling would  
3 be for Duquesne.

4 There is no specified qualification that you  
5 do (a), (b), (c), and you automatically become a member.  
6 The memorandum is silent on that point.

7 MR. OLDS: Mr. Dempler, I don't think you are  
8 understanding the question.

9 The question is, if every other condition that  
10 you can think of, possibly, is favorable to membership,  
11 regardless of whether those conditions are specified or  
12 not, the question is directed solely to whether or not  
13 this difficulty in transmission that has been  
14 described would constitute -- I'm not sure I should phrase  
15 what it is -- would it continue to constitute a barrier  
16 or difficulty?

17 MR. CHARNO: That is not my question.

18 He is welcome to answer that question, and we can  
19 go from there.

20 MR. OLDS: Forgive me, Mr. Charno.

21 CHAIRMAN RIGLER: Restate your question.

22 BY MR. CHARNO:

23 Q Mr. Dempler, is there any engineering requirements  
24 that a CAPCO member be connected to other CAPCO members at  
25 345 kv, engineering requirement, not arrangement, contractually?

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A No, there is no engineering requirement.

arl 1 BY MR. CHARNO:

2 Q Mr. Dampier, if a utility did not have or need  
3 345 kV transmission facility internal to its system, and it  
4 was willing to contribute its proportionate share to the CAPCO  
5 owned 345 kV transmission facilities, is there any engineering  
6 reason why it would have to be interconnected to any CAPCO  
7 member at 345 kV?

8 MR. OLDS: Mr. Chailuan, at this point it occurs  
9 to me that I believe in fairness to the witness' ability to  
10 respond, that Mr. Charno should be asked to define what  
11 he means by proportionate share of 345 kV transmission.

12 I'm not aware that that is a recognized quality  
13 or -- I beg your pardon, quantity. Perhaps Mr. Charno  
14 should define that.

15 BY MR. CHARNO:

16 Q Let me do it this way, Mr. Dampier:

17 Are you aware of the method of paying for the  
18 CAPCO transmission that is employed under the CAPCO agree-  
19 ments?

20 A Yes.

21 Q Under those agreements, does each CAPCO member  
22 pay for a proportionate share of the CAPCO transmission  
23 facilities?

24 A Each member pays the carry charges on the  
25 associated transmission in proportion, yes.

1 CHAIRMAN RIGLER: In proportion to what?

2 THE WITNESS: In proportion to the peak load of  
3 the system, to the total peak load for the CAPCO.

4 BY MR. CHARNO:

5 Q If you will use proportionate share in the sense  
6 you just defined it, can you answer my question?

7 I will ask the reporter to reread it.

8 (Whereupon, the reporter read the  
9 pending question, as requested.)

10 THE WITNESS: There is no engineering requirement  
11 that I know of.

12 BY MR. CHARNO:

13 Q Is there any requirement under the memorandum of  
14 understanding or any subsequent CAPCO agreement that you are  
15 aware of which would require an interconnection at 345 kV?

16 A The memorandum doesn't speak one way or the other  
17 in respect to this question. It is simply silent on it.

18 Q Is the answer to my question, then, yes or no?

19 A I don't know how to answer your question. As I  
20 say, the memorandum does not address itself to that question.

21 MR. CHARNO: Would the reporter read back my  
22 question, please?

23 (Whereupon, the reporter read from the  
24 record, as requested.)

25 THE WITNESS: A 345 kV for a new entity, is this

1 your question?

2 MR. CHARNO: I will accept that modification,  
3 sir, yes.

4 THE WITNESS: There is nothing specifically in any  
5 of the agreements which requires such a thing.

6 MR. CHARNO: Would this be an appropriate place  
7 for a short break?

8 BY MR. CHARNO:

9 Q Sir, can you tell us how recently Applicant's  
10 Exhibit 116, which was the chart which you referred to,  
11 was prepared?

12 A I don't have a specific date on this chart. It  
13 is not current, as I pointed out earlier. And to the  
14 best of my judgment, it would represent conditions on the  
15 Duquesne Light system in 1967, '68 period.

16 Q Can you tell us what the numbers and circles  
17 that appear on that chart represent?

18 A This is a reproduction of a larger document  
19 and the numbers and circles relate to essentially footnotes  
20 describing in more detail what the particular items are.

21 Q Sir, in reviewing your response to the possibility  
22 of Pitcairn's membership in CAPCO, would it be a correct  
23 characterization of your testimony to say that the point  
24 you were making was that such a relationship would be  
25 lacking in benefit rather than that such a relationship



1 would be unduly detrimental?

2 A My answer is that one, it would be completely  
3 lacking in benefit; and, secondly, that from the magnitudes  
4 of the interchanges and so on associated with Pitcairn,  
5 we could not record on the various meters, interconnections  
6 and so on, associated with the operation of a pool of the  
7 nature of CAPCO.

29 8 Q Well, then, am I correct that it is not your  
9 testimony that participation by Pitcairn would be unduly  
10 detrimental, would be an undue strain upon the resources  
11 of CAPCO?

12 A The supply to Pitcairn would not exercise any undue  
13 strain. But it would also not provide any benefit.

14 Q When you stated that the Borough of Pitcairn  
15 could not provide economy energy because of its cost of  
16 generation, were you viewing Pitcairn as an isolated system  
17 at that time and in the future?

18 A Well, obviously to interchange an economy energy  
19 or any kind of an energy, you would need some kind of a  
20 connection.

21 All I'm saying is that as a potential source  
22 of energy, however, it was implemented, the cost is prohibitive  
23 as far as Duquesne is concerned. So it has no value.

24 Q Sir, your assessment of the 1967 position of  
25 Pitcairn did not take into account a program of coordinated

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1 operation and development in the years between 1967 and  
2 thereafter, did it?

3 A I'm not sure what you mean by coordinated  
4 development. Could you define that a little clearer?

5 Q Well, what would you characterize CAPCO's joint  
6 construction program as?

7 A CAPCO's joint construction program is a  
8 coordinated construction program to meet the requirements  
9 of the CAPCO parties, that's correct.

10 Q Now about the joint ownership of -- pardon me.  
11 Would it be appropriate to denominate the joint ownership  
12 of a generating unit as coordinated development?

13 A Between the joint owners, I would say that is a  
14 fair characterization, yes.

15 Q Could we go back to my question with those as  
16 examples of coordinated development?

17 CHAIRMAN RIGLER: Restate the question.

18 BY MR. CHARNO:

19 Q Did you, in making your studies, take into  
20 account the possibility that or consider the effect of the  
21 benefits of coordinated operation and development upon the  
22 Borough of Pitcairn?

23 A No, I did not.

24 Q Did you take them into account in assessing  
25 the 1971 position of CAPCO?

1 A With respect to Pitcairn?

2 Q No, with respect to CAPCO. I'm sorry. In  
3 the context of your studies comparing CAPCO and Pitcairn,  
4 did you take them into account with respect to CAPCO?

5 A No.

6 Q You did not?

7 A I did not.

8 Q So that the capacity figures listed in your  
9 study for CAPCO do not reflect any coordinated development?

10 MR. REYNOLDS: I'm going to object. I'm not  
11 sure what study figures Mr. Charno is talking about.

12 If they are what I think they are, I will object  
13 to the question.

14 What figures do you have in mind, Mr. Charno?

15 MR. CHARNO: I'm only aware of one set of  
16 figures that have been discussed.

17 MR. REYNOLDS: Which figures are you talking  
18 about?

19 MR. CHARNO: The figures that appear in Applicant's  
20 Exhibit 117.

21 MR. REYNOLDS: Let me have the question again.

22 (Whereupon, the reporter read the  
23 pending question, as requested.)

24 MR. REYNOLDS: I'm going to object to the  
25 extent that Mr. Charno is now using the exhibit that he

1 referred to and going into cross-examination as to the  
2 matters that are stated therein on studies of CAPCO which  
3 was not the purpose that the exhibit was introduced,  
4 nor is it in accord with any of the direct testimony of  
5 this witness.

6 CHAIRMAN RIGLER: Overruled.

7 MR. REYNOLDS: He has totally bootstrapped  
8 himself into now going into an analysis of the figures as  
9 they appear in the memo.

10 CHAIRMAN RIGLER: Overruled.

11 THE WITNESS: The figures/relate to the  
12 installed generating capacity of CAPCO do include the  
13 effects of a coordinated development among the CAPCO parties.

14 BY MR. CHARNO:

15 Q Sir, when you indicated that Pitcairn's  
16 contribution to CAPCO or -- pardon me, let me -- withdraw  
17 that and begin again.

18 I believe you testified that Pitcairn's membership  
19 in CAPCO would be completely lacking in benefit?

20 A This is correct, lacking in benefit to CAPCO.

21 end 28-29  
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Q Would that be before or after Pitcairn became

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a member? Is that viewed with it on the outside or is that

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viewed with it as a member, or does it matter to you?

4

A It doesn't really matter.

5

Q Would Pitcairn be able to reduce the amount of

6

reserves it could carry, if it were allowed to join the

7

CAPCO pool?

8

A I don't know what the effect of that presumption

9

would be on Pitcairn.

10

Q Well, are there any members of the CAPCO pool that

11

carry 100 percent reserves?

12

A No.

13

Q As an engineer, would you expect the application

14

of the one negative day through P over N to result in

15

reserves as high as one hundred percent for Pitcairn?

16

A Let me state it two ways. One is, first of all,

17

if it were possible to make this calculation, there would

18

be presumably a substantial assignment of reserve to

19

CAPCO, inasmuch as --

20

MR. OLDS: You mean to CAPCO or Pitcairn?

21

THE WITNESS: I beg your pardon. To Pitcairn,

22

inasmuch as their largest unit, 1.3 megawatts is almost

23

equal to their peak load, 1.7 megawatts.

24

In a sense, they are almost a one-unit system.

25

The other concept is that with these numbers, it

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1 it is not possible to calculate down to this  
2 degree of refinement in either determining the input data or  
3 the results that come out of this CAPCO allocation.

4 So to attempt -- what I'm trying to say is  
5 I see no way in which we could apply this formula literally  
6 as we apply the formula to, for example, Duquesne.

7 MR. CHARNO: Could I have that answer back?

8 (Whereupon, the reporter read the record  
9 as requested.)

10 BY MR. CHARNO:

11 Q Is it your testimony that it is not  
12 possible to make a calculation of what Pitcairn's reserve  
13 requirement would be under the CAPCO method of reserve  
14 allocation?

15 A What I'm saying is it is not possible to make  
16 a meaningful calculation.

17 Q Would you distinguish between what constitutes  
18 a meaningful calculation and what constitutes a calculation?

19 A Again, with the magnitude we are dealing with here,  
20 namely, 1.7 megawatts, as a peak load, it is not possible,  
21 for example, for Duquesne to determine its capability of units  
22 to this degree of refinement.

23 It is not possible for us to make load projections,  
24 load estimates to this degree of refinement.

25 Therefore, in the basic calculation, there is



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1 built in that a fundamental error, variation, which in the  
2 case of an allocation of capacity within CAPCO may  
3 vary five to the megawatts.

4 And all I'm trying to say is with these kinds of  
5 parameters, it is entirely probable that Pitcairn would be  
6 floating around in this error and what the result would be,  
7 I have no way of predicting.

8 BY MR. CHARNO:

9 Q So is the answer to my question as to the  
10 possibility of calculating Pitcairn's reserves under the  
11 CAPCO agreement, is it possible to calculate it or  
12 is not possible?

13 MR. REYNOLDS: I object.

14 THE WITNESS: In my judgment I would say it is not  
15 possible.

16 MR. CHARNO: Is this an appropriate place  
17 for a break?

18 CHAIRMAN RIGLER: Yes.

19 We will take a fairly short break.

20 Let's be back at ten of.

21 (Recess.)

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BY MR. CHARNO:

Q Sir, is it correct that your testimony -- pardon me. Is it appropriate to characterize your testimony as stating that Pitcairn would not contribute a measurable benefit to CAPCO as opposed to Pitcairn would contribute absolutely no benefit to CAPCO?

A I would have to say as a practical matter they would contribute no useful benefit to CAPCO.

Q What are you attempting to state when you put in the word "useful," sir? Does that answer imply there is a benefit, but in your mind it is not a useful benefit because of its size?

A It is not a useful benefit by any means or any measure that we have in order to make use of that capacity. There is capacity there. But as a practical matter, it cannot be recognized and cannot be used and does not change any of the concepts of the pool.

Q Is it one of the CAPCO principles that capacity shall be allocated among the CAPCO parties so that each party's contribution to the reserves of the CAPCO group is directly proportional to its potential use of said reserves?

A Yes.

Q Is it your testimony that Pitcairn would not be complying with that principle with respect to reserves?

MR. OLDS: Under what circumstances?

1 MR. CHARNO: As a member of the pool.

2 MR. OLDS: Member of the pool doing what?

3 These concepts do not exist in the abstract. Participating  
4 in what units? How much participation? I have  
5 difficulty understanding your question.

6 BY MR. CHARNO:

7 Q If Pitcairn were a member of CAPCO, it would  
8 conform to the principle I stated if it contributed reserves  
9 comparable to its expected draw on the CAPCO reserves, would  
10 it not?

11 A If it were a member of CAPCO, yes. However,  
12 again, as I stated before, I don't know how we would  
13 calculate what their assignment was.

14 Q Mr. Dampler, with respect to Mr. Bingham's  
15 testimony, is it your testimony that you are adopting the  
16 definitions and terminology employed by Mr. Bingham?

17 MR. OLDS: Generally, you mean, or in relation  
18 to the limited portion of his testimony which I stated he  
19 was adopting in my question?

20 BY MR. CHARNO:

21 Q With respect to the portion of his testimony  
22 that you adopted this morning.

23 A As a general proposition, with the limited areas  
24 which relate to system operation and effects of network,  
25 the answer is yes.

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1 Q Would that be true with respect to Mr.  
2 Bingham's statements concerning wheeling?

3 A No.

4 Q Could you explain why not?

5 A As I recall Mr. Bingham's comments with  
6 respect to wheeling, he related to their Seneca situation and  
7 the delivery of Seneca power to the Cleveland system. This  
8 is one of the areas which I believe I pointed out earlier,  
9 we do not have a pump storage system or pump storage  
10 plant which is wheeled across a third system on the  
11 Duquesne Light system.

12 We do have joint ownership of a Fort Martin unit  
13 which is operated by Allegheny Power system and Allegheny  
14 Power system does deliver that power to Duquesne.

15 Q Do you adopt Mr. Bingham's definition of  
16 wheeling that he employed in his testimony?

17 MR. OLDS: I object. The witness' testimony  
18 did not address itself to that.

19 CHAIRMAN RIGLER: I thought his testimony addressed  
20 itself to transmission services and it is my recollection  
21 that although Mr. Bingham singled out the Seneca operation  
22 as an example of wheeling, he did define wheeling in more  
23 general terms.

24 MR. OLDS: I take it your comments suggest,  
25 Mr. Rigler, you believe the matter of wheeling was

1 involved in the testimony that was adopted by this witness?

2 CHAIRMAN RIGLER: Well, he can certainly tell us.

3 MR. OLDS: Wouldn't it be fairer to ask the  
4 witness if he adopted Mr. Bingham's testimony referring to  
5 wheeling?

6 CHAIRMAN RIGLER: Did you refer to transmission  
7 service?

8 MR. OLDS: I did refer to transmission.

9 CHAIRMAN RIGLER: All right.

10 MR. OLDS: Not transmission service, but trans-  
11 mission.

12 MR. CHARNO: I have trouble with a mode of  
13 operation of transmission that doesn't encompass wheeling.  
14 This is one of the problems that I was noting.

15 (Whereupon, the reporter read from the  
16 record, as requested.)

17 CHAIRMAN RIGLER: I will permit that.

18 MR. REYNOLDS: It might be helpful to show  
19 the witness that portion.

20 MR. CHARNO: The witness is probably more  
21 familiar than I am. I don't have it. I have no objection  
22 if anybody does have it, of their placing it before the  
23 witness.

24 CHAIRMAN RIGLER: Is the definition to which  
25 you refer that occurring on 3265 at lines 15 through 20?

1 MR. CHARNO: Our transcript shows that  
2 subject addressed between lines 10 and 23 of page 8263.

3 CHAIRMAN RIGLER: All right.

4 Part of that is a specific example relating to  
5 PENELEC. The part to which I referred concerned two general  
6 situations, A through B to A, and the second is A through B  
7 to C.

8 When you asked about his definition generally,  
9 you were referring to the less specific sections, the  
10 A, B, C, transaction, right? Or, A, B, A?

11 MR. CHARNO: That is probably a question I  
12 should ask the witness.

13 CHAIRMAN RIGLER: All right.

14 MR. OLDS: I have no objection to the cross-  
15 examination on the ground that it has not been established  
16 that this is a portion of Witness Bingham's testimony  
17 that was adopted by this witness.

18 CHAIRMAN RIGLER: If he disavows it, he can say so.

19 MR. HJELMFELT: Your Honor, this clearly points  
20 out we will have to go through Bingham's testimony page  
21 by page, practically, to determine what is and what is not  
22 adopted.

23 CHAIRMAN RIGLER: I can see that.

24 Do you have those lines in front of you?

25 THE WITNESS: Yes, sir.



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1 CHAIRMAN RIGLER: Do you disagree with the  
2 definition that occurs in lines 15 through 20 on page 3265?

3 THE WITNESS: I'm sorry, between which lines?

4 CHAIRMAN RIGLER: Mr. Bingham was asked to  
5 define the word "wheeling." He said it could occur in  
6 two situations.

7 He said either, A, power goes through B system  
8 and is returned to A at some other point, or as a second  
9 example of wheeling he said, you take A power through A system  
10 and deliver it to C.

11 Now do you adopt those definitions of wheeling?

12 THE WITNESS: I did not adopt these specific  
13 definitions of wheeling as such. What I adopted was  
14 the concept that these flows do in fact occur.

15 CHAIRMAN RIGLER: Let me ask you a separate  
16 question.

17 Do you disagree with wheeling as defined by Mr.  
18 Bingham?

19 THE WITNESS: The term "wheeling" I do not  
20 disagree with his statement. The term "wheeling" is a very  
21 broad term and is applied in many contexts.

22 To the best of my knowledge, I do not know of an  
23 absolute definition, dictionary-type definition of wheeling.

24 end 31-32  
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BY MR. CHARNO:

Q Mr. Dempler, have you previously testified you don't know of a definition for the term "wheeling" and you are confused by that term?

A I am testifying that I have heard many, many variations of the definition of the term.

Q I said have you previously testified that you don't know of a definition for the term "wheeling" and that you are confused by the use of that term?

A I don't know of a common --

MR. OLDS: That is no- the question, Mr. Dempler. Listen to the question, please.

THE WITNESS: The answer is correct; my testimony stands.

BY MR. CHARNO:

Q You have testified to that in the past?

A Yes.

Q Sir, did you intend to adopt any of the purposes which Mr. Bingham sets forth as underlying the method of operation or the transactions engaged in by Cleveland Electric Illuminating?

MR. OLDS: Could you read that question, please?

(Whereupon, the reporter read the record as requested.)

MR. OLDS: I object. I urge the question is of

1 such importance so that the witness should be allowed to answer  
2 each half of that question and not the question conjoining  
3 two separate concepts.

4 The answer would not be meaningful in view of the  
5 alternatives suggested. He is being asked both about operations  
6 and transactions which are two different concepts.

7 I do not object if the question is divided so that  
8 the witness may answer each separately.

9 MR. CHARNO: I think it is a straight  
10 yes or no off the top. We can go from there.

11 CHAIRMAN RIGLER: Let me hear the question.  
12 (Whereupon, the reporter read the record as  
13 requested.)

14 CHAIRMAN RIGLER: You can break it into two  
15 questions.

16 BY MR. CHARNO:

17 Q Did you adopt any of Mr. Bingham's statements of  
18 purpose with respect to Cleveland Electric Illuminating  
19 Company's method of operation?

20 A Yes, in the context of the basic broad purposes  
21 for the operation of the system, these basic broad purposes  
22 are common to Duquesne.

23 Q Would you specify those for us, please?

24 A Well, the specific purposes of building a system  
25 of multiple location of power stations, the interconnection  
of those power stations with appropriate transmission

eak3: and the development of the system in order to provide  
2 more efficient and reliable power sources, the problems of  
3 the desirability and problems of interconnection and the  
4 effects, the accepted effects of operating in an interconnected  
5 area.

6 MR. CHARNO: Could we have that answer back and  
7 then after that, I am asking you if you want to add any  
8 to it.

9 (Whereupon, the reporter read the record as  
10 requested.)

11 MR. OLDS: Do I understand, Mr. Charno, you are  
12 asking the witness, having heard his own answer, whether  
13 he wishes to supplement it.

14 MR. CHARNO: That is correct.

15 THE WITNESS: The only possible supplement that  
16 suggests itself to my mind is that relating to a projected  
17 consideration to provide for future requirements.

18 BY MR. CHARNO:

19 Q I am not sure I understand your answer, sir.

20 A Well, it is implied in my answer when I refer to  
21 development -- I had intended to include a specific situation  
22 as we are today as a continued development into the future and  
23 this would involve the concept of not only running an  
24 operating system as it is today, but making provisions for  
25 future capacity requirements in the system.

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1                   What I'm saying, the basic purposes which  
2 underly this are similar between Duquesne and Cleveland.

3                   BY MR. CHARNO:

4                   Q     Are they sufficiently similar that you are  
5 adopting Mr. Bingham's statement of purpose?

6                   MR. REYNOLDS: Mr. Chairman, I'm going to object.  
7 I think if Mr. Charno has something specific in terms of  
8 a specific statement of purpose, that would be the proper  
9 way to proceed.

10                  MR. CHARNO: We have a purpose that he has just  
11 outlined.

12                  I'm asking if he is adopting Mr. Bingham's  
13 statement specifically.

14                  MR. REYNOLDS: He said he is adopting the  
15 statement of purpose relating to operations.

16                  MR. CHARNO: No; no, the last question.

17                  MR. OLDS: I'm confused, as to what the  
18 Witness is being asked. I thought the Witness had responded  
19 to the question when he stated in response to a  
20 specific question, what are those purposes, he said them.

21                  I'm not sure I understand what the question now  
22 is, other than what he has already answered.

23                  MR. CHARNO: I believe the Witness shifted  
24 ground between adopting the statement made by Mr. Bingham  
25 and I have forgotten his exact language, and the question that

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1 followed it, we will have the Witness' language and the  
2 reason for my clarifying question.

3 CHAIRMAN RIGLER: You are saying when you asked if  
4 he adopted it, if he put a qualification in there.

5 MR. CHARNO: That is correct.

6 CHAIRMAN RIGLER: I will overrule that objection.

7 Let's have a little discussion at this point.

8 I'm not troubled from an evidentiary point of  
9 view with our ruling this morning. From a practical point  
10 of view we are going to consume a lot of time challenging  
11 the adoption of the Bingham testimony line by line.

12 I am wondering if it would be better to have  
13 Mr. Olds and the Applicants' single out those  
14 portions specifically of the Bingham testimony on which they  
15 wish the Witness to rely by reference to page or line,  
16 and then we would note exactly what is being adopted.

17 MR. CHARNO: That would be acceptable to the  
18 Department.

19 That would cut down the burden of cross-examination

20 CHAIRMAN RIGLER: As long as we have to come back  
21 anyway, I wonder if we can go to redirect out of order  
22 and take that as the first item of business in an  
23 attempt to telescope these proceedings?

24 MR. OLDS: We are getting close to the end of  
25 the day, and it would be possible for us to do it with  
precision and open the proceedings tomorrow morning with that.



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CHAIRMAN RIGLER: That is a good suggestion and we will do that in an attempt to move the proceedings along.

MR. OLDS: I can in general state for the benefit of the cross-examiners that the witness is adopting those portions of the testimony dealing with the general description of generation and generating units, the transmission system and the transformation of power in transmission down to distribution voltage, the effects on the system of new load, the effects of transmission and generation and system modification on power flows.

The description of system planning for transmission, connection and interconnection. The areawide relationship in relation to reliability, that basically concerned ECAR matters. And specifically we were not adopting testimony of Mr. Bingham dealing with structure of rates for classes of customers, the price of power purchased in the operation of the fuel adjustment clause, whatever it is in the CEI case.

The matter of design of rates and of customer classification, the specifics peculiar to the CEI system of the naming of substations and purpose for the particular interconnections that they do have at certain voltages, the definition of wheeling, the design of retail rates and pricing transactions with other utility companies, the

1 sales, purchases of emergency power, limited power, firm  
2 power, all of the testimony concerning the relations  
3 between CEI and the City of Cleveland, testimony concerning  
4 the method of operation of the system operator of CEI in  
5 purchasing power.

6 Those are the matters we propose to exclude. I  
7 think we will be able to put specific page references to  
8 those matters.

9 I have an outline in my hand and I would like  
10 the opportunity to be sure that all of the references are  
11 correct.

12 MR. CHARNO: Can we inquire of the witness  
13 whether he adopts counsel's intentions as just  
14 stated? I think it is certainly helpful to have  
15 Mr. Olds state what Duquesne intended to present, but I wonder  
16 if the witness indeed intended to present that.

17 MR. OLDS: That is the reason we called Mr.  
18 Dempler.

19 CHAIRMAN RIGLER: That is self-evident. He  
20 discussed this in advance with his counsel.

21 BY MR. CHARNO:

22 Q Mr. Dempler, did your counsel correctly describe  
23 the extent of the adoption by you of Mr. Singham's testimony?

24 A Yes.

25 MR. CHARNO: Thank you.

1 MR. OLDS: Except for the questioning on the  
2 Bingham testimony, Mr. Charno, have you finished  
3 with your cross-examination?

4 MR. CHARNO: My first reaction is that I have.

5 MR. REYNOLDS: Before we leave this, I'm not  
6 sure that the better definition, if you will, of those  
7 areas in the Bingham transcript that this witness is adopting  
8 so far as what I think is a real problem raised by Mr.  
9 Charno's last line of questions, and I think if we are going  
10 to lay ground rules for the kind of cross-examination we are  
11 going to have in this tomorrow, it would be helpful to get  
12 some insight into how the Department intends to proceed  
13 or the other parties intend to proceed for purposes of  
14 Mr. Dempler's testimony tomorrow.

15 As I understood the last line of questions, Mr.  
16 Charno asked the witness if he adopted the purposes that Mr.  
17 Bingham had testified to with respect to the operations  
18 of CEI system and he answered in the affirmative.

19 Mr. Charno then asked him to state those  
20 purposes or list what purposes he had in mind. Mr.  
21 Dempler proceeded to do that and then Mr. Charno's question  
22 was is that the extent of your adoption of Mr. Bingham's  
23 statement of purposes.

bwl 1 It seems to me the proper way to proceed on  
2 cross-examination if he has some other purposes in mind that are  
3 not covered by Mr. Dempler, then they should be brought  
4 out in that way, rather than expecting Mr. Dempler to give a  
5 laundry list, and then somehow suggest that there is an  
6 argument later on that because he may have left one out  
7 that this adoption does not embrace a purpose Mr. Bingham  
8 listed, when he was on the stand.

9 CHAIRMAN RIGLER: That is attributable to the  
10 disadvantage under which they were working by the  
11 broad references.

12 I think that problem will partially be solved or  
13 wholly, perhaps, be solved by the outlining that Duquesne  
14 is going to do overnight, and we don't intend to give  
15 an anticipatory ruling with respect to cross-examination.

16 MR. REYNOLDS: I think it can be solved, and  
17 I hope it would be.

18 CHAIRMAN RIGLER: We will reconvene at  
19 9:30, and I would think that this would enable us to  
20 meet our proposed schedule and hopefully to beat it a little  
21 bit, if we can all work on condensing cross-examination.

22 See you at 9:30.

23 (Whereupon, at 4:30 p. m., the hearing was  
24 recessed, to be reconvened at 9:30 a.m., on Thursday, May  
25 May 6, 1976.)