

7/6/73

UNITED STATES OF AMERICA  
BEFORE THE  
ATOMIC ENERGY COMMISSION

In the Matter of )  
 )  
Consumers Power Company ) Docket Nos. 50-329A  
 ) 50-330A  
Midland Plant (Units 1 and 2) )

APPLICANT'S SECOND ROUND OF INTERROGATORIES  
AND DOCUMENT REQUESTS TO INTERVENING PARTIES

Pursuant to Sections 2.740b and 2.741 of the Commission's Rules of Practice, 10 C.F.R. 2, Consumers Power Company ("Applicant") submits its second round of interrogatories and document requests to the intervening parties in this proceeding.

We incorporate by reference herein the directions and definitions which accompanied Applicant's Initial Interrogatories and Request for Documents, filed August 4, 1972. Applicant requests full compliance with this discovery within thirty days, i.e. on or before August 6, 1973.

\_\_\_\_\_  
Wm. Warfield Ross

\_\_\_\_\_  
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Power Company

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July 6, 1973.

THIS DOCUMENT CONTAINS  
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A. Responses Required From Michigan Municipal Electric Association (MMEA)

1. Provide copies of each edition of the MMEA Newsletter (or similar document produced by the Michigan Municipal Utilities Association prior to its name change in 1966) for each year since 1960 except 1970. [In response to Applicant's initial Interrogatory number 6, MMEA furnished copies of its Newsletter for the year 1970.]

2. Furnish copies of all survey forms received by MMEA from MMEA members in response to the survey made pursuant to Michigan Public Service Commission Order U-4100. [See MMEA's response to Applicant's initial Interrogatory 8.]

3. Provide copies of all answers and documents furnished by MMEA members in response to the questions posed in the document entitled "Data to be Supplied by Intervenors." [See Documents 000,022; 000,023; and 000,024 furnished by MMEA in response to Applicant's initial Interrogatory 7.]

4. With regard to the system's effort to respond to Applicant's initial interrogatories and document requests:

a. State the number of individuals involved in the file search and the name and position of the individual directly supervising the search.

b. State whether any documents responsive to Applicant's discovery were withheld for any reason. If so, state the date, author, and subject matter of each such document.

c. State whether any documents sent to the system's Washington counsel were not provided to Applicant. If so, state (or provide a best estimate of) the number of document pages not so provided.

d. Identify the individual(s) who prepared responses to Applicant's initial interrogatories.

e. State the location of each depository containing documents within the possession, custody or control of the system and state (or estimate) the number of documents located at each such depository.

5. Describe in detail the relief which the MMEA seeks in this proceeding (a) for itself and (b) for its municipal members.

B. Responses Required from Electric Systems of Holland, Coldwater, Traverse City, Zeeland and Grand Haven

1. Describe in detail the relief which the system seeks in this proceeding.

2. For the year 1972, furnish (a) copies of the system's Form 1-M and Form 12 or 12A reports filed with the FPC and (2) a copy of the system's audit report.

3. Furnish copies of any electric rate schedules, tariffs, rate contracts or agreements and any other document showing any retail rate placed in effect by the system after August 4, 1972.

4. State the level of all fuel, purchased power, materials, commodity, tax, wage or other adjustment levels applicable to each of the system's rate schedules, contracts or agreements as of January 1, 1973 and June 30, 1973.

5. For the period 1971 to date, state (or furnish copies of any documents showing) (a) the estimated or actual cost of extending electric facilities to each new individual commercial and industrial customer and (b) estimated or actual load conditions and revenues received from such customers.

6. Furnish any analyses of, and other documents showing, electric system profitability which were not provided in response to Applicant's initial Interrogatory 11.

7. For the years 1971 and 1972, for the area served by the system outside the municipality's corporate limit, provide actual data if readily available, or the system's best estimate, of the system's (a) annual kilowatt-hour sales, (b) average and year-end number of customers and (c) annual revenue by class of customer as reported to the FPC in the system's Form 12 or 12A.

8a. State the current (or most recent) level of annual carrying charges on the system's actual and proposed electric plant investment which is utilized by the system or by any of its consultants.

8b. State separately the annual carrying charge levels used for:

- (i) the cost of debt capital;
- (ii) The cost of funds from retained electric system surplus or of equity capital provided by the municipality;
- (iii) taxes or payments in lieu of taxes;
- (iv) depreciation;
- (v) fixed operation and maintenance expenses;
- (vi) other charges used by the system.

9a. State the date, author, and subject matter of each analysis, study or report prepared for the system by Daverman Associates or any other outside engineering, economic, or financial consultants since 1960.

9b. State whether, in any of its financial, economic or engineering planning or analyses, the system or any of its consultants utilizes a target or desired rate of return on investment by the system. If so, state the most recent level of any such target or desired rate of returns so utilized.

10a. State whether the system ever suggested during the period 1960 to date that, as a result of a customer's large size or unusual electricity requirements, any actual or prospective electric customer take service from another electric system. If so:

10b. Describe the background and substance of each such suggestion, including (but not limited to) a statement of the reason(s), if known, why the system made any suggestions cited in 10a.

10c. Provide all documents relating to each instance cited in 10b.

11a. List all townships, villages and incorporated areas in which the system is franchised or has been franchised during the period 1960 to date to render electric service, the date of the most recent renewal, and the expiration date of such franchises.

11b. Since 1960, state whether the system ever has sought, considered, or inquired into obtaining, other franchises to offer retail electricity service. If so, describe each such instance and provide all documents relating thereto.

11c. State, or provide a list of, all townships, villages and incorporated areas in which the system renders electric service without franchise, the date it commenced service in each such area, and the number of industrial and commercial customers served therein. If any of the foregoing information is not available, state the system's best estimate thereof.

12. Describe each consideration, analysis, request or inquiry by or for the system relating to the system's interconnection arrangements with any other electric system for any purpose and provide all documents prepared by or for the system related thereto (except documents sent to or from Applicant).

13a. State whether the system has now or has had during the period since 1960 an arrangement, policy or practice of not providing or not offering electric service to retail customers (1) being served by any other system, or (2) located in a certain area or territory. If so:

13b. Describe in detail any such arrangement, policy or practice and provide all documents related thereto.

14a. Since 1960 state whether (1) the system ever has considered, requested, or inquired about, wholesale power or coordination arrangements with the Applicant or any other electric system and (2) whether the system has ever been refused wholesale power or coordination arrangements by the Applicant or any other electric system. If so, describe any such instances and provide all documents related thereto (except those sent to or from Applicant).

14b. State whether the system has had a policy or practice of seeking to recover a fixed or target rate of payments or services in lieu of local taxes. If so, state such rate and what factors were considered in establishing said rate.

14c. State the dollar amount or rate of payment in lieu of taxes for each year 1960 to date which was the goal of any policy cited in response to 14b. If so, state such rate or amount.

15. With regard to the system's effort to respond

to Applicant's initial interrogatories and document requests:

a. State the number of individuals involved in the file search and the name and position of the individual directly supervising the search.

b. State whether any documents responsive to Applicant's discovery were withheld for any reason. If so, state the date, author, and subject matter of each such document.

c. State whether any documents sent to the system's Washington counsel were not provided to Applicant. If so, state (or provide a best estimate of) the number of document pages not so provided.

d. Identify the individual(s) who prepared responses to Applicant's initial interrogatories.

e. State the location of each depository containing documents within the possession, custody or control of the system and state (or estimate) the number of documents located at each such depository.

C. Responses Required From Traverse City, Zeeland, and Grand Haven Electric Systems.

16a. For each of the system's generating units, state for the three most recent years available, the heat rate, cost of fuel per kilowatt-hour of output, scheduled maintenance outage, forced outage rates and durations of outages, capacity and availability factors.

16b. For each generating unit installed by the system during the period 1971 to date, state the installation date, capacity in kilowatts, rated voltage and type of unit.

16c. List each generating unit addition planned by the system for installation by 1984 and for each such unit, state the planned type, capacity, heat rate, fuel cost and investment cost.

16d. Furnish any reports, studies or analyses prepared by or for the system relating to the availability or cost of fuel for the system's existing or planned generating units.

16e. Describe the system's plans or programs for retiring generating units within the next ten years and furnish each report, study or analysis related thereto.

17a. Describe, or provide a current map showing, all existing lines and substations of 44 kilovolts and above and for such facilities listed, and state, or furnish documents showing, conductor sizes, impedance diagrams, switching diagrams showing breakers and switches, transformer capacity and capacitors presently installed or planned by 1984.

17b. List and describe all lines and substations of 44 kilovolts and above planned for installation by 1984 and for each such facility, state, or furnish any documents showing, conductor sizes, impedance diagrams, switching diagrams, transformer capacity and capacitors planned.

18. State, or furnish copies of any documents showing,

the estimates of the maximum load in megawatts and Mvar at each substation at the time of the system peak for the years 1973 through 1984.

19. State, or furnish copies of any documents showing, typical cost data presently used by the system or its consultants for estimating the cost of construction of 44 kilovolts and above transmission facilities, including right-of-way and overhead costs.

20. Provide the most recent complete system loss studies or analyses for transmission facilities of 44 kilovolts and above, prepared by or for the system.

21. Furnish all load flow studies or analyses made by or for the system for normal system conditions, as projected for each year 1973 through 1984.

22. Furnish all system stability studies and analyses prepared by or for the system for the year 1973 for each expected generating unit addition scheduled to 1984.

23. Furnish all transmission studies or analyses made by or for the system relating to electrical connections to other systems.

24. Describe fully, or furnish copies of any documents showing, the generation outage and contingency criteria currently used by the system and/or its consultants for planning generating system reliability.

25. Describe, or furnish copies of any documents showing, the generation and transmission contingencies, voltage

criteria and equipment loading criteria currently used by the system or its consultants to plan for 44 kilovolts and above transmission facilities.

26. Describe, or provide any documents showing, the system's most recent annual load curve (load curve for each of the 8,760 hours in a year).

D. Responses Required of Traverse City Electric System

27. Explain the apparent discrepancy between the following sets of numbers and state what the correct number should be for each accounting category listed:

a. the 1971 Form 1-M total electric operating expense figure reported on page 3 as \$1,703,028 and the 1971 Audit total operating expense figure of \$1,436,099 plus depreciation of \$255,514 [total \$1,691,613] as reported on page 4;

b. the 1971 Form 1-M total contributions to the municipality figure of \$131,063 as reported on page 7 and Traverse City's response of \$131,911.57 to Applicant's initial Interrogatory 27;

c. the 1971 Form 1-M long-term debt figure of \$1,860,000 reported on page 6 and the \$1,950,000 figure reported on page 2 of that same report.

28. Explain, and describe the reasons for, the following changes in the figures reported by the system to the FPC on Schedule 10 of its Form 12:

a. in 1969, 12 industrial customers and in 1970, 6 industrial customers;

b. in 1969, commercial sales of 25.6 million kilowatt-hours and in 1970, commercial sales of 39.4 million kilowatt-hours.

29. If any of the foregoing changes described in interrogatory 28 represent a change in the method of classifying customers, for each category listed in interrogatory 28 state the correct numbers under the system's 1971 method of classification.

E. Responses Required From Grand Haven Electric System

27a. Explain the apparent discrepancy between the 1971 Form 1-M "Contributions in Aid of Construction" figure of \$0 reported on page 2, and the 1971 Audit "Contributions in Aid of Construction" figure of \$132,450 reported on Schedule A-5. State what the correct number should be for this accounting category.

27b. Describe in detail the circumstances under which the system has received contributions in aid of construction from the State of Michigan, or any agency thereof, or from the city of Grand Haven. List the amounts and dates of each such contribution.

28. Explain, and describe the reasons for, the following changes in the figures reported by the system to the FPC on Schedule 10 of its Form 12:

a. in 1960, 204 industrial customers and in 1961, 180 industrial customers;

b. in 1962, 181 industrial customers, followed by 217 such customers reported in 1963, 185 in 1964 and 218 industrial customers in 1965;

c. in 1966, 224 industrial customers and 34.4 million kilowatt-hour sales to such customers, followed by 23 industrial customers and 28.6 million kilowatt-hour sales reported for these customers in 1967;

d. in 1960, 545 commercial customers; in 1961, 749 such customers; in 1962, 714 such customers; in 1963, 622 such customers; and in 1964, 724 such customers; in 1965, 740 such customers; in 1966, 850 such customers; in 1967, 764 such customers; in 1968, 827 such customers; in 1969, 812 such customers; in 1970, 799 such customers; and in 1971, 770 such customers.

29. If any of the foregoing changes described in interrogatory 28 represent a change in the method of classifying customers, for each category listed in interrogatory 28 state the correct numbers under the system's 1971 method of classification.

F. Responses Required From Zeeland Electric System

27. Explain and describe the reasons why the 1971 Form 1-M sales for resale figure of \$26,016 reported on page

3 is not reported among revenues as shown on page 9 of the 1971 Audit. State what the correct figure should be.

28. Explain the apparent discrepancy between the 1971 Form 1-M total electric operating expense figure of \$471,516 reported on page 3 and the 1971 Audit total operating revenue deduction figure of \$445,054 reported on page 9. State what the correct figure should be.

G. Responses Required from Northern Michigan and Wolverine

1. Describe in detail the relief sought by the system in this proceeding.

2. For the year 1972, furnish copies (a) of all financial, operating, load and capacity statements or reports filed with the REA, MPSC or the FPC and (b) furnish a copy of the system's audit report.

3. Furnish copies of any electric rate schedules, tariffs, rate contracts or agreements and any other document showing any retail rate placed in effect by the system after August 4, 1972.

4. State the level of all fuel, purchased power, materials, commodity, tax, wage or other adjustment levels applicable to each of the system's rate schedules, contracts or agreements as of January 1, 1973 and June 30, 1973.

5. Furnish all analyses of, and other documents showing, electric profitability which were not provided in response to Applicant's initial Interrogatory 12.

6. State the current (or most recent) level of annual carrying charges on the system's actual or proposed electric plant investment utilized by the system or by any of its consultants.

7. State separately the annual carrying charge levels used for:

- (a) the cost of debt capital;
- (b) the cost of cooperative systems' equity funds;
- (c) taxes or payment in lieu of taxes;
- (d) depreciation;
- (e) fixed operation and maintenance expenses;

and

- (f) other charges used by the system.

8a. State the date, author, and subject matter of each analysis, study or report prepared for the system by Daverman Associates or any other outside engineering, economic, or financial consultants since 1960.

8b. State whether, in any of its financial, economic, or engineering analyses, the system or any of its consultants utilizes a target or desired rate of return on investment by the system. If so, state the most recent level of any such target or desired rate of return so utilized.

9a. State whether the system ever suggested during the period 1960 to date that, as a result of a customer's large size or unusual electricity requirements, any actual or prospective electric customer take service from another electric system.

9b. Describe the background and substance of each such suggestion, including (but not limited to) a statement of the reason(s), if known, why the system made any suggestions cited in 9a.

9c. Provide all documents relating to each instance cited in 9b.

10a. List all townships, villages and incorporated areas in which the system is franchised, or has been franchised since 1960, to render retail electric service; state the date of the most recent renewal and the expiration date of all such franchises.

10b. Since 1960 state whether the system ever has considered, sought, or inquired into obtaining, other franchises to offer retail electric service. If so, describe each such instance and provide all documents relating thereto.

11. State or provide a list of, all townships, villages and incorporated areas in which the system renders retail electric service without a franchise or has so rendered service since 1960.

12. Describe, and provide all documents prepared by or for the system consisting of, (except those sent to or from Applicant) studies, requests or inquiries by the system for (a) interconnection with any other system for any purpose or (b) the construction, financing, or operation of generation facilities jointly with one or more other electric systems.

13a. Since 1960, (i) state whether the system ever has considered or requested wholesale power or coordination arrangements from the Applicant or any other electric system and (ii) state whether the system has been refused such services. If so, describe each such instance and provide all documents related thereto (except those sent to or from the Applicant).

14. Describe (and furnish a copy of any draft, preliminary or final report or analysis prepared by or for the system since August 4, 1972, and not previously furnished in response to Applicant's initial Interrogatory 32 which contains any reference to) expected future increases (or decreases) in production or transmission capability, investment in the system or growth in the system's peak demand, sales, revenues, profits and/or number of customers served.

15a. Furnish a copy of all documents relating to the technical and economic feasibility of other systems interconnecting with or becoming members of the MMCPP.

15b. Furnish a copy of all studies, reports, and other documents provided by or for the system to the Rural Electric Administration (or any employee thereof) pursuant to the system's effort to secure financing for generation or transmission facilities.

16a. For each of the system's generating units, state for the three most recent years available, the heat rate, cost of fuel per kilowatt-hour of output, scheduled maintenance

outage, forced outage rates and durations of outages, capacity and availability factors.

16b. For each generating unit installed by the system during the period 1972 to date, state the installation date, capacity in kilowatts, rated voltage and type of unit.

16c. List each generating unit addition planned by the system for installation by 1984 and for each such unit, state the planned or anticipated type, capacity, heat rate, fuel cost and investment cost.

16d. Furnish any reports, studies, or other analyses prepared by or for the system relating to the availability or cost of fuel for the system's existing or planned generating units.

16e. Describe, and furnish each report, study or analysis relating to, the system's plans or programs for retiring generating units within the next ten years.

17a. Describe, or provide a current map showing, any existing lines and substations of 44 kilovolts and above and for each such facility state, or provide any documents showing, the conductor sizes, impedance diagrams, switching diagrams showing breakers and switches, transformer capacity and capacitors presently installed or planned by 1984.

17b. List all lines and substations of 44 kilovolts and above planned for installation by 1984 and for each such facility, indicate, or provide documents showing the conductor

sizes, impedance diagrams, switching diagrams, transformer capacity and capacitors planned.

18. State, or furnish copies of any documents showing, the estimates of the maximum load in megawatts and Mvar at each system substation at the time of the system peak for the years 1973 through 1984.

19. State, or furnish copies of any documents showing, typical cost data presently used by the system or its consultants for estimating the cost of construction of 44 kilovolts and above transmission facilities, including right-of-way and overhead costs.

20. Furnish copies of the most recent complete system loss studies or analyses for transmission system facilities of 44 kilovolts and above.

21. Furnish all load flow studies made by or for the system for normal system conditions as projected for each year 1973 through 1984.

22. Furnish all system stability studies prepared by or for the system for the year 1973 and for the system with each expected generating unit addition through 1984.

23. Furnish all transmission studies or analyses made by or for the system during the period 1960 to date relating to electrical connections to other systems.

24. State, or furnish copies of any documents showing, the generation outage and contingency criteria currently

(or most recently) used by the system or its consultants for planning generating system reliability.

25. State, or furnish copies of any documents showing, the generation and transmission contingencies, voltage criteria, and equipment loading criteria currently (or most recently) used by the system or its consultants to plan for 44 kilovolts and above transmission facilities.

26. State, or provide a copy of, the system's most recent annual load curve (load curve for each of the 8,760 hours in a year).

27. With regard to the system's effort to respond to Applicant's initial interrogatories and document requests:

a. State the number of individuals involved in the file search and the name and position of the individual directly supervising the search.

b. State whether any documents responsive to Applicant's discovery were withheld for any reason. If so, state the date, author, and subject matter of each such document.

c. State whether any documents sent to the system's Washington counsel were not provided to Applicant. If so, state (or provide a best estimate of) the number of document pages not so provided.

d. Identify the individual(s) who prepared responses to Applicant's initial interrogatories.

e. State the location of each depository containing documents within the possession, custody or control of the system and state (or estimate) the number of documents located at each such depository.

H. Responses Required from Wolverine

28. Explain the apparent discrepancy between the following sets of numbers and state what the correct number should be for each accounting category listed herein:

(a) the 1971 REA Bulletin 1-1 (Annual Statistical Report, Rural Electric Borrowers) total operating deductions figure reported on page 242 as \$3,395,110 and the system's 1971 Audit Report total operating expense figure reported on page 3 as \$3,413,283 (\$3,731,458 less \$318,175 interest);

(b) the 1971 REA Bulletin 1-1 interest on long-term debt figure reported on page 242 as \$328,511 and the system's 1971 Audit Report interest on long-term debt figure reported on page 3 as \$318,175;

(c) the 1971 REA Bulletin 1-1 depreciation and amortization expense figure reported on page 242 as \$553,093 and the system's 1971 Audit Report depreciation and amortization figure reported on page 3 as \$552,978;

(d) the 1971 REA Bulletin 1-1 net margins and patronage capital figure reported on page 242 as \$13,775

(credit) and the system's 1971 Audit Report net margins (deficit) figure reported on page 3 as a negative \$34,253;

(e) the 1971 REA Bulletin 1-1 total utility plant figure reported on page 242 as \$22,608,382 and the System's 1971 Audit Report total utility plant figure reported on page 2 as \$22,859,976;

(f) the 1971 REA Bulletin 1-1 accumulated provision for depreciation and amortization figure reported on page 242 as \$6,639,393 and the system's 1971 Audit Report accumulated provision for depreciation and amortization figure reported on page 2 as \$6,890,872;

(g) the 1971 REA Bulletin 1-1 investments in associated organizations figure reported on page 242 as \$123,524 and the system's 1971 Audit Report investments in associated organizations figure reported on page 2 as \$549,405;

(h) the 1971 REA Bulletin 1-1 total assets and other debits figure reported on page 242 as \$17,529,217 and the system's 1971 Audit Report total assets and deferred debits figure reported on page 2 as \$17,940,314;

(i) the 1971 REA Bulletin 1-1 other long-term debt figure reported on page 242 as \$0 and the system's 1971 Audit Report CFC capital term certificates long-term debt figure reported on page 2 as \$425,881;

(j) the 1971 REA Bulletin 1-1 total equity

figure reported on page 242 as \$224,065 (credit) and the system's 1971 Audit Report equities figure reported on page 2 as a negative \$357,788; and

(k) the 1971 REA Bulletin 1-1 current and accrued assets figure reported on page 242 as \$1,335,514 and the system's 1971 Audit Report current assets figure reported on page 2 as \$1,256,603.

I. Response Required of Northern Michigan

28. Explain the discrepancy between the following sets of numbers and state what the correct number should be for each accounting category listed herein.

(a) the 1971 REA Bulletin 1-1 (Annual Statistical Report, Rural Electric Borrowers) interest on long-term debt figure reported on page 243 as \$313,829 and the system's 1971 Annual Report interest on long-term debt figure reported on page 10 as \$302,633;

(b) the 1971 REA Bulletin 1-1 accumulated provision for depreciation and amortization figure reported on page 243 as \$5,198,275 and the system's 1971 Annual Report accumulated depreciation and amortization figure reported on page 8 as \$5,217,438;

(c) the 1971 REA Bulletin 1-1 other property and investments figure reported on page 243 as \$35,665 and the system's 1971 Annual Report other property and investments figure reported on page 8 as \$133,739;

(d) the 1971 REA Bulletin 1-1 deferred debits figure reported on page 243 as \$38,415 and the system's 1971 Annual Report deferred charges figure reported on page 8 as \$57,576;

(e) the 1971 REA Bulletin 1-1 deferred credits figure reported on page 243 as \$575 and the system's 1971 Annual Report deferred credits figure reported on page 9 as \$26,176; and

(f) the 1971 REA Bulletin 1-1 operating deductions total figure reported on page 243 as \$3,911,823 and the system's 1971 Audit Report operating expenses figure reported on page 10 as \$3,898,576 (\$4,202,174 less \$302,633 interest on long-term debt, plus \$965 other interest).

J. Responses Required From Each Distribution Cooperative System

1. Describe in detail the relief sought by each system in this proceeding.

2. For the year 1972, furnish copies (a) of the system's Form 7 report filed with the REA and Form 12A report filed with the FPC and (b) a copy of the system's audit report and the system's annual report to members.

3. Furnish copies of any electric rate schedules, tariffs, rate contracts or agreements and any other documents and statements showing rates placed in effect by the system after August 4, 1972.

4. State the level of all fuel, purchased power,

materials, commodity, tax, wage or other adjustment levels applicable to each of the system's rate schedules, contracts or agreements as of January 1, 1973.

5. For the period 1971 to date, state, or furnish copies of any documents showing, the estimated or actual cost of extending electric facilities to each new individual commercial or industrial customer and the estimated or actual load conditions of and revenues received from such customers.

6. Furnish all analyses, reports and other documents showing electric system profitability prepared at any time during the period 1960 to date which were not provided in response to Applicant's initial Interrogatory 12.

7a. State the current or most recent level of annual carrying charges on the system's actual or proposed electric plant investment utilized by the system or by any of its consultants in any financial or engineering analyses by or for the system.

7b. State separately the annual carrying charge levels used for:

- (i) the cost of debt capital;
- (ii) the cost of cooperative systems' equity funds;
- (iii) taxes or payments in lieu of taxes;
- (iv) depreciation;
- (v) fixed operation and maintenance expenses;

and

(vi) other charges used by the system.

8a. State whether, in any of its financial, economic or engineering analyses, the system or any of its consultants utilizes a target or desired rate of return on investment by the system.

8b. State the most recent level of any such target or desired rate of return.

8c. Identify each outside financial, economic, or engineering consultant retained by the system and describe the date and subject matter of any studies or reports prepared for the system by such consultants.

9a. State whether the system ever suggested during the period 1960 to date that, as a result of its large size or unusual electricity requirements, any actual or prospective electric customer take service from another electric system. If so:

9b. Provide a statement of the reasons, if known, why the system made any suggestions cited in 9a.

9c. Provide any documents relating to instances cited in 9a.

10a. For all townships, villages and incorporated areas in which the system is franchised or has been franchised during the period 1960 to date to render electric service, state the date of the most recent renewal and the expiration date of any franchises.

10b. During the period 1960 to date, state whether the system ever has considered, sought or inquired into obtaining other franchises to offer retail electricity service. If so, describe, and provide all documents relating to, each such instance.

10c. List all townships, villages and incorporated areas in which the system renders electric service without a franchise and state the number of industrial or commercial customers serviced in each such area.

10d. List all cities, towns and villages where the system sells electric energy at retail, which has a population over 1500 persons.

11. With regard to the system's effort to respond to Applicant's initial interrogatories and document requests:

a. State the number of individuals involved in the file search and the name and position of the individual supervising the search.

b. State whether any documents responsive to Applicant's discovery were withheld for any reason. If so, state the date, author, and subject matter of each such document.

c. State whether any documents sent to the system's Washington counsel were not provided to Applicant. If so, state (or provide a best estimate of) the number of document pages not so provided.

d. Identify the individual(s) who prepared responses to Applicant's initial interrogatories.

e. State the location of each depository containing documents within the possession, custody or control of the system and estimate the number of documents located therein.

K. Responses Required From Top O'Michigan

12. Explain the apparent discrepancy between the following sets of numbers and state what the correct number for each accounting category listed herein should be:

(a) the 1971 REA Bulletin 1-1 (Annual Statistical Report, Rural Electric Borrowers) operating deductions total figure reported on page 108 as \$3,084,504 and the system's 1971 Audit Report total operating expense figure reported on page 3 as \$3,081,190 (\$3,277,324 less \$196,134 interest);

(b) the 1971 REA Bulletin 1-1 distribution expense operation figure reported on page 108 as \$140,262 and the system's 1971 Audit Report distribution expense operation figure reported on page 3 as \$132,838;

(c) the 1971 REA Bulletin 1-1 administrative and general expenses figure reported on page 108 as \$279,487 and the system's 1971 Audit Report administrative and general expense figure reported on page 3 as \$269,601;

(d) the 1971 REA Bulletin 1-1 net margins and patronage capital figure shown on page 108 as a \$131,837

credit and the system's 1971 Audit Report margins figure reported on page 3 as a negative \$120,575;

(e) the 1971 REA Bulletin 1-1 net utility plant figure reported on page 108 as \$11,196,387 and the system's 1971 Audit Report net utility plant figure reported on page 2 as \$11,195,222;

(f) the 1971 REA Bulletin 1-1 investment in associated organization figure reported on page 108 as \$582,023 and the system's 1971 Audit Report investments in associated organizations figure reported on page 2 as \$591,109;

(g) the 1971 REA Bulletin 1-1 total equity figure reported on page 108 as \$1,483,607 and the system's 1971 Audit Report equities figure reported on page 2 as \$1,494,873;

(h) the 1971 REA Bulletin 1-1 patronage capital figure reported on page 108 as \$1,098,300 and the system's 1971 Audit Report patronage capital figure reported on page 2 as \$1,122,510.

13. Explain, and provide a statement as to what accounts for, the following changes in the figures reported by the system to the FPC on Schedule 4 of its Form 12-A:

(a) in 1964, 405 commercial customers and in 1965, 241 commercial customers;

(b) in 1960, 26 industrial customers and in 1961, 14 industrial customers;

(c) in 1963, 14 industrial customers and in 1964, 24 industrial customers.

14. If any of the foregoing changes described in interrogatory 13 represent a change in the method of classifying customers, for each category listed in interrogatory 13 state the correct numbers under the system's 1971 method of classification.

L. Responses Required From Presque Isle

12. Explain the apparent discrepancy between the following sets of numbers and state what the correct number should be for each category listed below:

(a) the 1971 REA Bulletin 1-1 (Annual Statistical Report, Rural Electric Borrowers) accumulated depreciation and amortization figure reported on page 107 as \$3,720,978 and the system's 1971 Audit Report accumulated depreciation and amortization figure reported on page 2 as \$3,718,492;

(b) the 1971 REA Bulletin 1-1 net utility plant figure reported on page 107 as \$7,743,792 and the system's 1971 Audit Report net utility plant figure reported on page 2 as \$7,746,279;

(c) the 1971 REA Bulletin 1-1 investment in associated organizations figure reported on page 107 as \$560,632 and the system's 1971 Audit Report investment in associated organizations figure reported on page 2 as \$561,078;

(d) the 1971 REA Bulletin 1-1 current and

accrued assets figure reported on page 107 as \$995,360 and the system's 1971 Audit Report current assets figure reported on page 2 as \$770,684;

(e) the 1971 REA Bulletin 1-1 total assets and other debits figure reported on page 107 as \$9,379,371 and the system's 1971 Audit Report total assets figure reported on page 2 as \$9,449,159;

(f) the 1971 REA Bulletin 1-1 operating revenues and patronage capital figure reported on page 107 as \$2,662,958 and the system's 1971 Audit Report operating revenues and patronage capital figure reported on page 4 as \$2,669,860;

(g) the 1971 REA Bulletin 1-1 deferred credits figure reported on page 107 as \$307,501 and the system's 1971 Audit Report deferred credits figure reported on page 3 as \$31,527;

(h) the 1971 REA Bulletin 1-1 current and accrued liabilities figure reported on page 107 as \$246,682 and the system's 1971 Audit Report current liabilities figure reported on page 3 as \$599,129;

(i) the 1971 REA Bulletin 1-1 distribution expense operation figure reported on page 107 as \$98,007 and the system's 1971 Audit Report distribution-operation figure reported on page 4 as \$97,932;

(j) the 1971 REA Bulletin 1-1 distribution expense maintenance figure reported on page 107 as \$198,220

and the system's 1971 Audit Report distribution-maintenance figure reported on page 4 as \$199,795;

(k) the 1971 REA Bulletin 1-1 customer accounts figure reported on page 107 as \$104,499 and the system's 1971 Audit Report customer accounts figure reported on page 4 as \$103,259;

(l) the 1971 REA Bulletin 1-1 depreciation and amortization expense figure reported on page 107 as \$294,508 and the system's 1971 Audit Report depreciation and amortization figure reported on page 4 as \$298,259;

(m) the 1971 REA Bulletin 1-1 operating deductions total figure reported on page 107 as \$2,548,354 and the system's 1971 Audit Report operating expense figure reported on page 4 as \$2,554,806 (\$2,688,308 less \$133,502 interest);

(n) the 1971 REA Bulletin 1-1 administrative and general expenses figure reported on page 107 as \$195,759 and the system's 1971 Audit Report administrative and general figure reported on page 4 as \$180,360;

(o) the 1971 REA Bulletin 1-1 generation and transmission capital credits figure reported on page 107 as \$69,640 and the system's 1971 Audit Report Northern Michigan Electric Cooperative, Inc. capital credits figure reported on page 4 as \$57,377;

(p) the 1971 REA Bulletin 1-1 net margins and patronage capital figure reported on page 107 as \$70,942 and

the system's 1971 Audit Report net margins figure reported on page 4 as \$88,014.

M. Responses Required From O & A Cooperative

12. Explain the apparent discrepancy between the following sets of numbers and state what the correct number should be for each accounting category herein:

(a) the 1971 REA Bulletin 1-1 (Annual Statistical Report, Rural Electric Borrowers) construction work in progress figure reported on page 108 as \$307,198 and the system's 1971 Audit Report construction work in progress figure reported on page 2 as \$308,808;

(b) the 1971 REA Bulletin 1-1 accumulated provision for depreciation and amortization figure reported on page 108 as \$2,830,444 and the system's 1971 Audit Report accumulated depreciation figure reported on page 2 as \$2,833,307;

(c) the 1971 REA Bulletin 1-1 net utility plant figure reported on page 108 at \$5,750,604 and the system's 1971 Audit Report net utility plant figure reported on page 2 as \$5,749,350;

(d) the 1971 REA Bulletin 1-1 tax expense figure reported on page 108 as \$92,817 and the system's 1971 Audit Report taxes-property plus taxes-Michigan income figure reported on page 3 as \$84,325;

(e) the 1971 Audit Report taxes-Michigan income figure reported on page 3 as \$3,224 and the 1971 account 409-state income tax figure of \$3,078 reported in the system's response to initial Interrogatory 17;

(f) the 1971 REA Bulletin 1-1 other long-term debt figure reported on page 108 as \$36,403 and the system's 1971 Audit Report subscriptions payable-CFC figure reported on page 2 as \$553,217;

(g) the 1971 REA Bulletin 1-1 investment in associated organizations figure reported on page 108 as \$110,511 and the system's 1971 Audit Report investment in associated enterprises figure reported on page 2 as \$1,302;

(h) the 1971 REA Bulletin 1-1 total assets and other debits figure reported on page 108 as \$6,633,950 and the system's 1971 Audit Report total assets figure reported on page 2 as \$7,169,270;

(i) the 1971 REA Bulletin 1-1 patronage capital figure reported on page 108 as \$727,722 and the system's 1971 Audit Report patronage capital figure reported on page 2 as \$596,223;

(j) the 1971 REA Bulletin 1-1 total equity figure reported on page 108 as \$816,627 and the system's 1971 Audit Report equities and margins figure reported on page 2 as \$822,110;

(k) the 1971 REA Bulletin 1-1 current and

accrued liabilities figure reported on page 108 as \$403,923 and the system's 1971 Audit Report current liabilities figure reported on page 2 as \$406,594.

13. Explain, and provide a statement as to what accounts for, the following changes in the figures reported by the system to the FPC on Schedule 4 of its Form 12-A:

(a) in 1968, 319 commercial customers with commercial sales of 3,058 megawatts and in 1969, 335 commercial customers with commercial sales of 2,899 megawatts;

(b) in 1969, industrial sales of 6,031 megawatts, in 1970, industrial sales of 2,884 megawatts and in 1971, industrial sales of 8,403 megawatts.

14. If any of the foregoing changes described in interrogatory 13 represent a change in the method of classifying customers, for each category listed in interrogatory 13 state the correct numbers under the system's 1971 method of classification.

N. Response Required from Tri-County

12. Explain the apparent discrepancy between the following sets of numbers and state what the correct number should be for each accounting category listed herein:

(a) the 1971 REA Bulletin 1-1 (Annual Statistical Report, Rural Electric Borrowers) accumulated provision for depreciation and amortization figure reported on page 107 as \$2,305,527 and the system's 1971 Annual Report to Members

reserve for depreciation figure reported on document page 760,105 as \$2,317,786;

(b) the 1971 REA Bulletin 1-1 net utility plant figure reported on page 107 as \$4,432,484 and the system's 1971 Annual Report to Members net utility plant figure reported on document page 760,105 as \$4,420,226;

(c) the 1971 REA Bulletin 1-1 total assets and other debits figure reported on page 107 as \$5,182,865 and the system's 1971 Annual Report to Members total assets figure reported on document page 760,105 as \$5,591,648;

(d) the 1971 REA Bulletin 1-1 other long-term debt figure reported on page 107 as \$67,450 and the system's 1971 Annual Report to Members liabilities to CFC and accrued to CFC figure reported on document page 760,105 at \$476,232;

(e) the 1971 REA Bulletin 1-1 current and accrued liabilities figure reported on page 107 as \$332,286 and the system's 1971 Annual Report to Members current liabilities figure reported on document page 760,105 as \$412,185.

O. Responses Required by Western Michigan

12. Explain the apparent discrepancy between the following sets of numbers and state what the correct number should be for each accounting category listed herein:

(a) the 1971 REA Bulletin 1-1 (Annual Statistical Report, Rural Electric Borrowers) investment in associated

organizations figure reported on page 108 as \$38,032 and the system's 1971 Audit Report investments in associated organizations figure reported on page 4 as \$1,100;

(b) the 1971 REA Bulletin 1-1 total current and accrued assets figure reported on page 108 as \$218,501 and the system's Audit Report total current assets figure reported on page 4 as \$154,577;

(c) the 1971 REA Bulletin 1-1 total assets and other debits figure reported on page 108 as \$3,097,802 and the system's 1971 Audit Report total assets and other debits figure reported on page 4 as \$3,087,192; and

(d) the 1971 REA Bulletin 1-1 deferred credits figure reported on page 108 as \$10,610 and the fact that no corresponding number is reported in the system's 1971 Audit Report.

P. Responses Required from Oceana

12. Explain the apparent discrepancy between the following sets of numbers and state what the correct number should be for each accounting category listed herein:

(a) the 1971 REA Bulletin 1-1 (Annual Statistical Report, Rural Electric Borrowers) total assets and other debits figure reported on page 108 as \$1,683,398 and the system's 1971 Audit Report total assets and other debits figure reported on page 4 as \$1,682,366;

(b) the 1971 REA Bulletin 1-1 current and accrued liabilities figure reported on page 108 as \$96,001 and the system's 1971 Audit Report current and accrued liabilities figure reported on page 4 as \$89,164;

(c) the 1971 REA Bulletin 1-1 contributions in aid of construction figure reported on page 108 as \$11,552 and the system's 1971 Audit Report contributions in aid of construction figure reported on page 4 as \$26,826.

13. Explain, and provide a statement as to what accounts for, the following changes in the figures reported by the system to the FPC on Schedule 4 of its Form 12-A:

(a) in 1961, 121 commercial customers and in 1962, 244 commercial customers;

(b) in 1961, 7 industrial customers and in 1962, 10 industrial customers.

14. If any of the foregoing changes described in interrogatory 13 represent a change in the method of classifying customers, for each category listed in interrogatory 13 state the correct numbers under the system's 1971 method of classification.

UNITED STATES OF AMERICA  
ATOMIC ENERGY COMMISSION

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

CERTIFICATE OF SERVICE

I hereby certify that copies of APPLICANT'S SECOND ROUND OF INTERROGATORIES AND DOCUMENT REQUESTS TO INTERVENING PARTIES, dated July 6, 1973, in the above-captioned matter have been served on the following by deposit in the United States mail, first class or air mail, this 7th day of July, 1973:

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