### UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

7/27/27

In the Matter of
CONSUMERS POWER COMPANY
Midland Plant Units 1 and 2

Docket Nos. 50-329

RESPONSE OF CONSUMERS POWER COMPANY TO BOARD ORDER OF JULY, 1977

By Order docketed on July 18, 1977 this Atomic Safety and Licensing Board ("Board"), noting that some of the parties had stated that their pleadings were somewhat restricted by the time limits imposed by the Board, gave the parties until July 27, 1977 to file additional pleadings. The only point which the time limits imposed by the Board restricted Licensee's pleadings, as noted by Licensee in its responsive findings, was with regard to its examination of the propriety of the record cites used by Intervenors to support their proposed Findings of Fact and Conclusions of Law ("Findings"). Accordingly, this filing will set forth Intervenors' record cites to which Consumers Power Company ("Licensee") objects and the reasons therefore:\*

This filing will not set forth those citations previously noted (See, e.g., p. 22 of Licensee's Findings), nor will it discuss the Licensee's disagreement with the conclusions drawn from the record by Intervenors or the appropriateness of Intervenors' arguments. That discussion is set forth in other pleadings filed by Licensee. This discussion is limited to incorrect record citations.

1	Interven	ors' Cites:		Licensee's Objections:
	Page	Line	Cites	
1.	4	15	Tr. 2342-46	Record does not support proposition cited for: Dow was required to purchase a minimum of 2,000,000 lbs/hr. of steam under 1974 contract; under previous contract, there was no minimum. See Tr. 2342.
2.	4	15	Tr. 2384-85	Record does not support proposition cited for: The only change in the contract was to reduce Dow's "demand rate" from 400 MW to 300 MW. See Tr. 2383.
3.	28	33	Tr. 407	Record does not support proposition cited for: The only "self induced" delay occurred in 1974 when Licensee reduced construction due to financial considerations.
4.	31	18	M.I. Ex. 25	Exhibit does not support proposition cited for: Document is dated prior to Dow corporate decision.
5.	31	21-22	Tr. 414-17	Record does not support proposition cited for: First two pages are lawyer's argument and last page only states a personal opinion concerning the present contract.
6.	31	22	Tr. 2320-22	Record does not support proposition cited for: Opinion and judgment were personal, not corporate.
7.	31	22	Tr. 2707	Record does not support proposition cited for: Witness stated it was his "opinion, a speculation".
8.	31	25	Tr. 2379-82	Record does not support proposition cited for: At best, cite only supports that testimony "did not reflect all of the under- lying fact: concerning the 'Dow corporate position'", not that material facts were deliberately concealed from the Board.

	Interveno			Licensee's Objection:	
	Page	Line	Cites		
9.	32	24	M.I. Ex.	. 25	Exhibit does not support proposition cited for: Dow had not made corporate decision on date this meeting occurred.
10.	32	27	Tr. 2307		Record does not support proposition cited for: At best, cite only supports that testimony did not "tell in complete detail, or reasonably complete detail everything that was going on at that point in time", not that it was misleading or did not state Dow's corporate position.
11.	32	27	Tr. 2379	-82	See 8 above.
12.	35	23	Tr. 2572		Record cite is to a question posed by Intervenors' counsel.
13.	40	8	Tr. 5175	-76	These pages are questioning of Dr. Feld, not Mr. Gundersen.
14.	40	12	Tr. 4370	-71	Record cite is to argument by Intervenors' counsel.
15.	40	15	Tr. 2572		See 12 above.
16.	40	25	Tr. 4231	-32	Record does not support proposition cited for: See remainder of Tr. 4232, wherein witness refers to an operating limit imposed by the NRC.
17.	41	17	Tr. 4472	-73	Record cite is limited to probability encoding, not to Licensee's entire electrical forecast.
18.	41	17	Tr. 4480	-82	Record does not support proposition cited for: Only Board question is on Tr. 4480, wherein witness states he didn't use Licensee's assumptions; at Tr. 4481-82, the only discussion of underlying data is in argument by Intervenors' counsel.

## Intervenors Cites:

# Licensee's Objection:

	Page	Line	Cites	
19.	44	15	Tr. 2690	Pertinent portion of quoted question deleted in Findings and entire answer not referred t
20.	52	12-13	Tr. 409-10 2299-2301, 2309, 2311-12, 2494-95, 2699, 2707-09	Record cite is only to opinion of witness; see Tr. 2657-61 and Tr. 2663-67.
21.	54	25	Tr. 2710-14 and 2723-24	Record does not support proposition cited for: The witness characterized Licensee's negotiating position as a no-interest loan. Licensee has never so characterized its negotiating position. See Tr. 2710.
22.	55	13-14	M.I. Exs. 29 and 67	Record does not support proposition cited for: Neither of these documents indicate that a sale of a portion of Midland is "essential" for Licensee to finance construction of the project.
23.	58	19	Tr. 2408	Record does not support proposition cited: Tr. 2408 states nuclear has a \$4.3 million per year advantage over a fossil alternative not vice-versa.
24.	61	6	Tr. 2323	Record does not support proposition cited: Nothing on this page refers to a two-year period.
25.	61.	8	Tr. 2405-06, 2732 and 2737-39	Record does not support proposition cited: Nothing therein refers to a two-year period.
26.	67	23	Tr. 3711-12, 3718-19, and 3756-58	Record does not support proposition cited: None of these cites in any way indicate that Licensee cannot tell the cost or schedule implications of the resolution of ACRS items.

	Intervenors' Cites:			Licensee's Objection:
	Page	Line	Cites	
27.	75	18	Tr. 3414-16	Record does not support proposition cited: Testimony does not indicate that growth may be lower during 1978-82.
28.	75	25	M.I. Ex. 11	This Exhibit is not the short-term "Budget" Forecast.
29.	Paragraph	ns 61-64		Record does not support proposition cited for: There was no testimony in the record with regard to the short-term forecast; thus, any record cites regarding that forecast are inappropriate.
30.	79	22	Tr. 1918-20, 3293-94, 3299, 3363	Record does not support proposition cited for: References on these pages are to probability encoding, not the underlying data or the confirmatory study which used a traditional methodology.
31.	82	8	M.I. Ex. 11	Exhibit does not state that there is only a 33% likelihood of the 5.2% growth rate.
32.	83	2	Tr. 4468	Record does not support cite because Intervenors confuse energy conservation per se with energy conservation as it relates to reduction of electrical demand.
33.	84	15	Tr. 1935	See Tr. 1933, which shows price elasticity was considered in forecast.
34.	84	21	Tr. 2020	Record does not support proposition cited for: Record will only support that price elasticity was not "specifically quantified".

	Intervenors' Cites:				Licensee's Objection:
	Page	Line	Cit	es	
35.	85	12	Tr.	2007	Record does not support proposition cited for: See Tr. 2008, lines 3-8, which shows that the impact of price was considered.
36.	91	3	Tr.	1848-49	Record does not support proposition cited for: Record states Ontario Hydro may have excess capacity in 1978-80, but not in 1981-84.
37.	99	27	Tr.	3730-31	Record does not support proposition cited for: The witness specifically states that "sunk costs" were not used.
38.	102	21	Tr.	1848	Record does not support proposition cited for: Lines 15-18 of Tr. 1848 do not relate to the economics of purchase power or the programming of the cost production model.

Respectfully submitted,

July 27, 1977 Dated:

ISHAM, LINCOLN & BEALE One First National Plaza Suite 4200 Chicago, Illinois 60603 (312) 786-7500

#### UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

In the Matter Of

CONSUMERS POWER COMPANY

(Midland Plant, Units 1 and 2)

Docket Nos. 50-329 50-330

## CERTIFICATE OF SERVICE

I hereby certify that copies of the enclosed "Response of Consumers Power Company to Board Order of July, 1977", dated July 27, 1977 in the above-captioned proceeding, have been served on the following by hand delivery this 27th day of July:

Frederic J. Coufal, Esquire Chairman Atomic Safety and Licensing Board Panel U.S. Nuclear Regulatory Comm. Washington, D.C. 20555

Dr. J. Venn Leeds, Jr., Esq. Atomic Safety and Licensing Board Panel
U.S. Nuclear Regulatory Comm. Washington, D.C 20555

Dr. Emmeth A. Luebke
Atomic Safety and Licensing
Board Panel
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

The following have been served by deposit in the United States mail, first-class, postage prepaid, this 27th day of July, 1977:

Atomic Safety and Licensing
Board Panel
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

Mr. C. R. Stephens
Chief
Docketing and Service Section
Office of the Secretary
of the Commission
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

L. F. Nute, Esquire Legal Department Dow Chemical U.S.A. Michigan Division Midland, MI 48640 Richard K. Hoefling, Esquire Counsel for NRC Staff U.S. Nuclear Regulatory Comm. Washington, D.C. 20555

Myron M. Cherry, Esquire One IBM Plaza Suite 4501 Chicago, IL 60611

R. P.ex Renfrow, III

One of the Attorneys for Consumers Power Company

Isham, Lincoln & Beale One First National Plaza Suite 4200 Chicago, Illinois 60603 312/786-7500

July 27, 1977