

Docket Numbers: 50-546
50-547

INFORMATION FOR ANTITRUST REVIEW
OF THE OPERATING LICENSE APPLICATION

MARBLE HILL NUCLEAR GENERATING STATION
UNITS 1 and 2

PUBLIC SERVICE COMPANY OF INDIANA, INC.

FEBRUARY, 1983

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I. INTRODUCTION

This information is submitted by Public Service Company of Indiana, Inc. (PSI), pursuant to the Nuclear Regulatory Commission's (the Commission) Regulatory Guide 9.3, dated October 1974. As such, this submittal supplements the amendment to PSI's application to construct and operate the Marble Hill Nuclear Generating Station, Units 1 and 2, dated November 23, 1982 and tendered to the Commission on November 26, 1982.

Marble Hill Nuclear Generating Station, Units 1 and 2, is jointly owned by PSI and Wabash Valley Power Association, Inc. (WVPA) as tenants in common. These owners will share the electrical output and have paid construction costs according to their respective ownership share in the facilities. PSI, which owns eighty-three (83) percent of the units, is acting as agent for WVPA and has sole responsibility for licensing, design, procurement, construction, operation, and all related functions with respect to the facilities. WVPA, which owns seventeen (17) percent of the units, has delegated to PSI the authority to act on its behalf in obtaining such further facilities and materials license applications and amendments as may be required by law or regulation.

On July 2, 1975, PSI submitted an application to the Commission for licenses to construct and operate the Marble Hill facility. After the issuance of two partial decisions by the Atomic Safety and Licensing Board, the Commission's staff issued two Limited Work Authorizations on August 24, 1977 and December 13, 1977. The construction permits were issued on April 4, 1978.

The "Information Requested by the Attorney General for Antitrust Review" pertaining to PSI and required by 10 CFR 50.33a and Appendix L was docketed by the Commission on January 8, 1975 and assigned Docket No. P-505-A. The conclusions of the Antitrust Division of the Department of Justice were transmitted to the Commission by letter dated April 15, 1975.

The "Information Requested by the Attorney General for Antitrust Review" pertaining to WVPA and required by 10 CFR 50.33a and Appendix L was docketed by the Commission on June 10, 1977. The conclusions of the Antitrust Division of the Department of Justice were transmitted to the Commission by letter dated December 29, 1977.

II. Responses to RG 9.3, Part B

- (1) To assist the regulatory staff in its review, an applicant for a license to operate a commercial nuclear power plant should consider the following items and any related changes that have occurred or are planned to occur since submission of the construction permit application:

Item 1(a)

Anticipated excess or shortage in generating capacity resources not expected at the construction permit stage. Reasons for the excess or shortage along with data on how the excess will be allocated, distributed, or otherwise utilized or how the shortage will be obtained.

Response

Since the submission of the construction permit application, there have been changes in PSI's capacity resource plans. These changes are primarily the result of reduced load growth projections from those which were predicted at the construction permit stage.

PSI's current Resource Plan through 1996 is attached as Exhibit A. The capacity in excess of PSI's peak load plus 20% reserve requirement will be available for both short term and long term sales. Discussions have taken place with other utilities regarding these possible sales. Except for some normal short term transactions, no definite commitments for this power have been made at this time.

Since submittal of the construction permit application, the following transactions have occurred.

- (1) On February 1, 1978, PSI and WVPA entered into an agreement entitled "Marble Hill Plant Purchase and Ownership Participation Agreement." This agreement provided for the acquisition by WVPA of a seventeen

percent undivided interest as a tenant in common of the Marble Hill Nuclear Generating Station, Units 1 and 2 and was submitted to the Atomic Safety and Licensing Board by letter dated February 6, 1978, prior to issue of the Construction Permit.

- (2) On August 27, 1982, PSI entered into an agreement to transfer undivided ownership interests in its newest fossil-fired unit, Gibson No. 5, to WVPA and the Indiana Municipal Power Agency (IMPA). WVPA owns a 25% undivided interest in Gibson No. 5 and related facilities and IMPA owns a 24.95% undivided interest in Gibson No. 5 and related facilities.

IMPA is an association of municipal electric systems located in Indiana. IMPA consists of the following municipal utilities:

Anderson
Bargersville
Centerville
Darlington
Flora
Frankfort
Frankton
Greendale
Greenfield
Jamestown
Lawrenceburg
Lebanon
Linton
Middletown
Paoli
Pendleton
Rensselaer
Rising Sun
Scottsburg
Tipton
Washington
Crawfordsville
Peru
Richmond

The transfers of the undivided interests in Gibson Unit No. 5 are subject to the jurisdiction of and approval by the Public Service Commission of Indiana. Such approval was granted in Cause No. 36835, Cause No. 36902, and Cause No. 36956.

PSI has agreed to purchase a declining percentage of WVPA's and IMPA's capacity entitlement from Gibson No. 5.

PSI has agreed to wheel power for IMPA to any of its member systems located on the PSI system and will wheel power to adjoining utilities for transmission to IMPA members not located on the PSI system. Pursuant to a certain Distribution Facilities Ownership, Operation and Maintenance Agreement and a Transmission Participation Agreement between PSI and WVPA, WVPA owns transmission facilities sufficient for WVPA to transmit energy from its share of Gibson No. 5 and Marble Hill to its member systems.

Item No. 1(b)

New power pools or coordinating groups or changes in structure, activities, policies, practices, or membership of power pools or coordinating groups in which the licensee was, is, or will be a participant.

Response

Pursuant to Article 6.01 of the Kentucky-Indiana Power Pool Agreement (KIP), PSI terminated the joint planning portion of the KIP Agreement by letter dated June 7, 1976. The Federal Energy Regulatory Commission (FERC) Staff opened an investigation of this termination in Docket No. ER76-739. On March 17, 1980, FERC issued an Order accepting the FERC Staff investigative report and terminating the proceeding.

On August 27, 1982, PSI, WVPA and IMPA entered into the following agreements.

- (1) Gibson Unit No. 5 Joint Ownership, Participation, Operation and Maintenance Agreement By and Between PSI, WVPA and IMPA.
- (2) Power Coordination Agreement Between PSI and IMPA.
- (3) Power Coordination Agreement Between PSI and WVPA.

Item 1(c)

Changes in transmission with respect to (1) the nuclear plant, (2) interconnections, or (3) connections to wholesale customers.

Response

(1) Nuclear Plant

Operation of the Marble Hill Nuclear Generating Station, Units 1 and 2 will require three (3) 765 kV transmission lines and one (1) 345 kV loop line to connect the station to the existing transmission network. Two 765 kV lines and the 345 kV loop extend westward from the site boundary in a common corridor 0.05-mile long, where they either cross or join the existing PSI Speed-Madison transmission line right-of-way. One of the 765 kV lines crosses this right-of-way and then extends northwest for 48.5 miles to the existing PSI-Columbus substation near Columbus, Indiana.

The second 765 kV line also crosses the existing Speed Madison right-of-way and then parallels this right-of-way for approximately six (6) miles north. It then continues an additional seven (7) miles northeast to tie into the existing Jefferson substation owned by Indiana and Michigan Electric Company (I&M) located west of Madison, Indiana. The 0.05-mile 345 kV loop will extend only to the Speed-Madison north-south right-of-way where it will tie into the 345 kV circuit of an existing 138/345 kV double circuit line. This Speed-Madison 138 kV circuit is currently supplying construction power to the Marble Hill site.

In addition, a third 765 kV line will extend northeast from the new Elizabethtown switching station near Columbus, Indiana, for a distance of 36.6 miles to the new Gwynneville substation located 2 miles south of Gwynneville, Indiana. The 13-mile long Marble Hill to Jefferson Line and the 36.6-mile long Elizabethtown to Gwynneville line replace the 65.5-mile long Marble Hill to Rush line presented in the Environmental Report - Construction Permit (ER-CP).

(2) Interconnections

PSI has planned, under construction, or in service multiple interconnections with eight (8) investor-owned electric utilities, Hoosier Energy Rural Electric Cooperative, Inc. (HEREC), and several municipalities. The following is a summary of interconnections installed since submittal of the construction permit applications presently under construction or planned.

Under Construction or In Service Since Submittal of the Construction Permit Application

1. Greentown 765 kV (Under Construction)

This substation is jointly owned by PSI and Indiana and Michigan Electric Company (I&M) and has a 765 kV/138 kV transformer. PSI has three 138 kV circuits and I&M has two 138 kV circuits out of the substation. An additional 765/230/138 kV transformer is under construction. PSI will own the 230 kV capacity and have two 230 kV transmission lines out of the substation. I&M plans additional 138 kV lines in future.

2. Petersburg 345 kV (In Service)

PSI has placed in service a 3-mile double circuit 345 kV line into the Indianapolis Power & Light Company (IP&L) Petersburg plant. This is a loop off the PSI Gibson-Bedford-Columbus 345 kV line in and out of the plant to replace the need for IP&L building a 345 kV line from Petersburg to Indianapolis and improve the stability margins at PSI's Gibson Station.

3. Merom 345 kV (In Service)

PSI has placed in service a 345 kV loop in and out of Hoosier Energy Rural Electric Cooperative, Inc. (HEREC) Merom plant from the Gibson-Dresser 345 kV line. This provides additional outlet capacity from the Merom plant and eliminates the need for HEREC to build an additional 345 kV line.

4. Worthington 345 kV (In Service)

This substation owned by HEREC has a 345/138 kV, a 161/138 kV, and two 138/69 kV transformers. PSI owns two 138 kV lines and HEREC owns three 69 kV lines out of the substation. This substation is fed by the HEREC Merom to Bloomington 345 kV circuit and the 161 kV from the Ratts plant (HEREC).

5. Speed-Marble Hill 345 kV (In Service)

PSI established a third interconnection with Kentucky Utilities Company (KU) by constructing a Ghent-Marble Hill-Speed 345 kV circuit. The Marble Hill - Ghent portion of this circuit will tie together PSI's Marble Hill and KU's Ghent plants.

6. Gibson-Albion 345 kV (In Service)

A second interconnection between PSI and Central Illinois Public Service Company (CIPSCO) was established by constructing a Gibson-Albion 345 kV circuit. In addition to serving as a transmission outlet for PSI's Gibson Station, this circuit also provides local area support to CIPSCO's Albion area and as a path for transfer of power.

7. Deedsville-Leesburg 345 kV (In Service)

PSI and Northern Indiana Public Service Company (NIPSCO) placed in service a 345 kV interconnection between PSI's Deedsville and NIPSCO's Leesburg substations. This interconnection terminates in a 500 MVA, 345/230 kV transformer at the Deedsville substation.

8. Speed-Northside 138 kV (In Service)

PSI and Louisville Gas and Electric Company (LG&E) tied together their 345/138 kV substations at Speed and Northside with a 138 kV interconnection. This circuit serves to provide sufficient capability to transfer power between the two companies and as back up support for the two substations.

9. Bloomington 230 kV (In Service)

This substation contains a 345/230 kV transformer owned by HEREC and a 230/69 kV transformer and a 230/138 kV transformer owned by PSI. This substation is served by HEREC's 345 kV line from Merom-Worthington. PSI has 230, 138 and 69 kV lines from this substation.

10. Worthington 69 kV (In Service)

PSI tapped HEREC's Worthington-Stearleyville 69 kV circuit in order to provide a 69/34.5 kV substation at Worthington. This interconnection is utilized for local area support to the PSI load in the Worthington area.

11. Ramsey 345 kV (In Service)

This substation is owned by HEREC and is served by a 345 kV line looped in and out of PSI's Gibson-Speed 345 kV line. HEREC has three 69 kV lines and PSI has one 69 kV line out of the substation. Future development will add one more 69 kV line.

12. Centerville 138 kV (In Service)

PSI owns the substation, which has been converted to 138/69 kV. This substation is served from I&M's 138 kV line (College Corner-Delaware) and connects into the PSI 69 kV system.

Committed, Planned, or Under Serious Consideration

1. Gwynneville 765 kV (Committed)

This 1500 MVA, 765/345 kV substation is to be constructed by PSI and served by the I&M Jefferson-Greentown 765 kV line and the Elizabethtown-Gwynneville 765 kV line. PSI will construct one 345 kV line from Gwynneville to Greensboro, and IP&L will construct two 345 kV lines, one to Columbus (PSI) and one to Sunnyside (IP&L). PSI will also have a 345/69 kV transformer in this substation, with 69 kV lines connecting into the existing 69 kV system.

2. Patriot Generation Plant 345 kV (Under Consideration)

This plant is planned by IP&L. The first unit's transmission outlet would be provided by looping PSI's 345 kV line from Ghent (KU) to Batesville into the plant at Patriot. IP&L will be purchasing the Patriot to Ghent portion of this line in order to accomplish this. A 345 kV circuit will also be constructed from Batesville to Greensboro which completes the 345 kV Patriot transmission development for Unit #1 and provides two-way 345 kV support into Greensboro.

3. Smith Valley 345 kV (Under Consideration)

PSI plans to tap the IP&L 345 kV line (Petersburg-Hanna) and construct a 345/69 kV substation for 69 kV support in Johnson County.

4. Speed-Northside 345 kV (Under Consideration)

PSI and LG&E plan to construct a 345 kV line from Speed (PSI) to Northside (LG&E) to increase transfer capability between the companies.

5. Marble Hill-Jefferson 765 kV (Committed)

PSI plans to construct a 765 kV line from Marble Hill to the Jefferson substation (I&M) to connect into the I&M 765 kV system for additional outlet from Marble Hill.

6. Jeffersonville 138 kV (Under Consideration)

PSI plans to construct a 138/12 kV substation that will be served from LG&E 138 kV line.

7. Pritchard 138 kV (Planned, Not Committed)

PSI plans to construct a 138/69 kV substation that will be served from the 138 kV line at Pritchard Generating Station (IP&L).

8. Rockville Road 345 kV (Planned, Not Committed)

This substation (345/138 kV) is owned by IP&L. PSI plans to construct a 138 kV line from this substation to serve loads in the Brownsburg-Avon area and eventually connect to the 345-138 kV substation planned for the future in the Danville area.

(3) Connections With Wholesale Customers

Since the submission of the construction permit application, PSI and WVPA have entered into the following agreements.

- (a) Transmission Participation Agreement, dated February 27, 1978.

- (b) First Supplemental Agreement to Transmission Participation Agreement, dated April 14, 1978.
- (c) Second Supplemental Agreement to Transmission Participation Agreement, dated March 3, 1981.
- (d) Third Supplemental Agreement to Transmission Participation Agreement, dated December 2, 1981.
- (e) Transmission Facilities Operation and Maintenance Agreement, dated February 27, 1978.
- (f) Distribution Facilities Ownership, Operation and Maintenance Agreement, dated March 6, 1981.

Item No. 1(d)

Changes in the ownership or contractual allocation of the output of the nuclear facility. Reasons and basis for such changes should be included.

Response

On February 1, 1978, PSI and WVPA entered into an agreement entitled "Marble Hill Plant Purchase and Ownership Participation Agreement." This agreement provided for the acquisition by WVPA of a seventeen percent undivided interest as a tenant in common of the Marble Hill Nuclear Generating Station, Units 1 and 2.

Item No. 1(e)

Changes in design, provisions, or conditions of rate schedules and reasons for such changes. Rate increases or decreases are not necessary.

Response

Since submission of the construction permit application, changes in design, provisions, or conditions of rate schedules have been, in general, made in connection with rate increase petitions or to comply with provisions of the Public Utility Regulatory Practices Act (PURPA).

Item No. 1(f)

List of all (1) new wholesale customers, (2) transfers from one rate schedule to another, including copies of schedules not previously furnished, (3) changes in licensee's service area, and (4) licensee's acquisitions or mergers.

Response

(1) New Wholesale Customers

On February 27, 1978, WVPA and PSI entered into an Interconnection Agreement. This agreement provides that PSI shall provide WVPA Supplemental Power and Energy, Reserve Capacity, Back-Up Energy and Replacement Energy.

(2) Transfer from One Rate Schedule to Another

The following transfers from one rate schedule to another have occurred.

- (a) City of Crawfordsville from FERC Rate Schedule Number 211 to FERC Rate Schedule Number 229 per the Interconnection Agreement between PSI and Crawfordsville, dated January 3, 1978.
- (b) City of Frankfort from FERC Rate Schedule Number 224 to FERC Electric Tariff Original Volume Number 1 (Rate MUN).
- (c) City of Washington from FERC Rate Schedule Number 215 to FERC Electric Tariff Original Volume Number 1 (Rate MUN).
- (d) Member Systems of WVPA from FERC Electric Tariff Original Volume Number 2 (Rate REMC-1) to FERC Rate Schedule Number 232.

- (e) City of Logansport from FERC Rate Schedule Number 223 to FERC Rate Schedule Number 230 per the Agreement for Supply of Base Load Capacity between Logansport and PSI dated June 24, 1980.
- (f) The transfer of ownership of Gibson Unit 5 per the Joint Ownership, Participation, Operation and Maintenance Agreement, dated August 27, 1982, by and between PSI, WVPA and IMPA has resulted in the following FERC Rate Schedule transfers.
 - (i) Member Systems of WVPA from Rate Schedule FERC No. 232 to Rate Schedule FERC No. 233.
 - (ii) Towns of Bargersville, Centerville, Darlington, Flora, Greendale, Jamestown, Middletown, Pendleton and Cities of Greenfield, Lebanon, Linton, Paoli, Rising Sun, Scottsburg, Tipton, Washington, and Frankfort from Electric Tariff Original Volume No. 1 (Rate MUN) to Rate Schedule FERC No. 234.
 - (iii) City of Crawfordsville from Rate Schedule FERC No. 229 to Rate Schedule FERC No. 234.
 - (iv) City of Peru from Rate Schedule FERC No. 212 to Rate Schedule FERC No. 234.
- (g) City of Logansport from Rate Schedule FERC No. 230 to Rate Schedule No. 235 per the First Supplemental Agreement, dated October 1, 1982, to the Agreement for Supply of Base Load Capacity between Logansport and PSI, dated June 24, 1980.

(3) Changes in Licensee's Service Area

Since the submittal of the Construction Permit Application, there have been several routine service area territorial adjustments with REMCs adjoining PSI's service territory. The Indiana General Assembly in 1980 enacted P.L. 69, now codified as IC 8-1-2.3-1, a statute entitled "Electricity Supplier's Service Area Assignments". This act requires all electric suppliers within the State of Indiana, including REMCs, investor-owned utilities, and municipal utilities, to negotiate with all adjacent electricity suppliers as soon as practicable in an effort to agree on boundaries of the service areas to be assigned to each electric supplier. Maps are to be prepared and filed with the Public Service Commission of Indiana requesting approval of an assignment of service areas. Pursuant to this act, PSI has negotiated with adjoining electric suppliers, REMCs, municipals, and other investor-owned utilities and has filed numerous Petitions with the Public Service Commission of Indiana. If these Petitions are approved by the Public Service Commission of Indiana, there will be several minor adjustments to PSI's service territory.

(4) Licensee's Acquisitions or Mergers

(i) The town of Patoka was acquired on December 15, 1977 and discontinued as Rate MUN.

(ii) The Hillsdale section of the town of Montezuma was acquired on July 15, 1977 and discontinued as Rate MUN.

Item No. 1(g)

List of those generating capacity additions committed for operation after the nuclear facility, including ownership rights or power output allocations.

Response

PSI currently has no firm commitments for additional generating capacity beyond Marble Hill Generating Station, Units 1 and 2.

Item No. 1(h)

Summary of requests or indications of interest by other electric power wholesale or retail distributors, and licensee's response, for any type of electric service or cooperative venture or study.

Response

PSI's Statement of Bulk Power Supply Policies is included in Section 3E of Construction Permits CPPR-170 and CPPR-171. Since issuance of those permits, inquiries from electric power wholesale or retail distributors for any type of electric service or cooperative venture or study were handled in compliance with this statement. These inquiries include the following:

- (1) On April 22, 1974 East Kentucky Rural Electric Cooperative Corporation requested PSI to furnish certain construction, maintenance and operating information relative to the subject units for use and analysis of East Kentucky's generation and transmission requirements in the next ten or more years. PSI furnished the requested information and entered into a letter of intent to sell East Kentucky an ownership interest in the subject units. In February 1977, East Kentucky withdrew its request for participation for reasons of regulatory burdens and rescinded its letter of intent.
- (2) Kentucky Utilities Company (KU) and Northern Indiana Public Service Company (NIPSCO) had expressed interest in some participation in the subject units or unit power purchase. PSI held discussions with both parties. NIPSCO entered into a letter of intent with PSI in August 1974 to purchase an ownership interest in the subject units and subsequently withdrew from the Agreement. PSI has agreed to sell NIPSCO unit power from the subject units. No agreement was ever reached with KU.

- (3) In 1975 the Cities of Anderson, Richmond and Mishawaka, Indiana (all of whom are served by the lines of Indiana & Michigan Electric Company) asked if PSI could supply power to them. They were told that PSI could not supply power to them directly as they were beyond PSI's transmission lines, but PSI would sell power to them from fossil fuel plants then under construction, and transmit the power over PSI's lines to the system of I&M. Such power would have to be transmitted over the lines of I&M to each of the cities pursuant to an arrangement between the cities and I&M.
- (4) In 1978 the Cities of Anderson, Crawfordsville, Logansport and Richmond, and possibly some unnamed municipalities represented by the Indiana Municipal Electric Association, expressed interest in the joint ownership with PSI of nuclear and fossil-fired generating units if they were able to obtain state legislation which would enable them to participate in such ownership. PSI indicated that it would be interested in such joint ownership. This eventually led to the sale of the 24.95% undivided interest of Gibson Unit 5 to IMPA described in response 1(a).
- (5) In April 1973 the City of Crawfordsville, Indiana, sent to applicant a study of generation and transmission facilities prepared for the Kentucky-Indiana Municipal Power Association (KIMPA) and asked applicant to look it over in preparation for discussing the study with applicant. KIMPA consists of the Cities of Frankfort and Paris, Kentucky, and the Cities of Crawfordsville, Ferdinand, Huntingburg, Jasper, and Washington, Indiana. In August, 1973, the applicant, in response to a request for a conference between KIMPA, the applicant, and the other three participating members of KIP relative to the KIMPA study, responded that applicant was willing to enter into discussions with those members of KIMPA, with whom applicant is interconnected (i.e., Crawfordsville and Washington) about their future electrical requirements, but was not in a position to discuss the future requirements of the members of KIMPA located beyond applicant's transmission lines.

PSI informed KIMPA that it would have to qualify as a utility in the State of Indiana. KIMPA was denied a certificate of public convenience and necessity by the Public Service Commission of Indiana and appealed this ruling. The Court of Appeals of Indiana upheld the Commission in an opinion issued August 27, 1979, KIMPA vs. PSI et. al., (1979) Ind. App., 393 NE 2nd 776.

- (6) KIMPA was permitted by FERC to intervene in the filing of the KIP pooling agreement (and the supplement thereto) as a rate schedule. KIMPA opposed the pooling agreement on the grounds that the terms of the agreement excluded KIMPA from being a member of the pool. The case has been decided against KIMPA by FERC in Opinion No. 15, issued on June 22, 1978, in FERC Docket Nos. E-7704, E-7669, E-7937, and E-8053 (consolidated for hearing). On September 30, 1982, the FERC issued an Opinion and Order Denying Rehearing.
- (7) In March of 1978, the Town of Frankton, Indiana municipal utility requested PSI to submit a bid to provide wholesale power. PSI declined to submit such a bid because of the cost of constructing additional facilities to serve the load. Frankton has since become a member of IMPA.
- (8) In December, 1982, representatives of American Municipal Power-Ohio (AMP-Ohio), an association of Ohio municipal utilities, met with representatives of PSI and expressed an interest in arranging for PSI to wheel power to AMP-Ohio members. In January, 1983, PSI responded by letter that it was willing to consider such a proposal and work with AMP-Ohio and suggested a meeting to begin with details.

Item No. 2

Licensees whose construction permits include conditions pertaining to antitrust aspects should list and discuss those actions or policies which have been implemented in accordance with such conditions.

Response

Prior to the issuance of Construction Permits CPPR-170 and CPPR-171, PSI submitted on March 18, 1975 to the United State Department of Justice a Statement of Bulk Power Supply Policies. At that time, PSI agreed to have the Statement made a condition of any construction permits or operating licenses issued by the Nuclear Regulatory Commission for construction or operation of the Marble Hill Nuclear Generation Station, Units 1 and 2.

Subsequently, PSI responded to any inquiries from interested parties concerning possible power supply agreements, interconnection agreements, transmission participation agreements, etc. in compliance with this policy. Discussions were held and some agreements were made. The present status of such agreements is as detailed in response to Question No. 1.

EXHIBIT A
PSI CURRENT RESOURCE PLAN
YEAR

SEASON (1)	1983		1984		1985		1986		1987	
	(S)	(W)	(S)	(W)	(S)	(W)	(S)	(W)	(S)	(W)
PSI NATIVE LOAD (2)	3891	4048	4008	4211	4117	4368	4240	4179	4163	4333
FIRM SALES	0	0	0	0	0	0	0	0	0	0
FIRM TO WVPA	0	0	0	0	0	0	0	275	113	289
WVPA SHARE OF MARBLE HILL	0	0	0	0	0	0	0	79	79	79
TOTAL RESERVED LOAD	3891	4048	4008	4211	4117	4368	4240	4533	4355	4701
INSTALLED CAPACITY	5939	5999	5939	5999	5939	5999	5939	7129	7069	7129
KENTUCKY-INDIANA POOL SALE	0	0	0	0	0	0	0	0	0	0
WVPA SALE TO NORTHERN INDIANA PUBLIC SERVICE COMPANY, INC.	0	0	0	0	0	0	0	113	113	113
OTHER SALES	0	0	0	0	0	0	0	113	113	0
TOTAL CAPACITY	5939	5999	5939	5999	5939	5999	5939	6903	6843	7016
RESERVE MW	2048	1951	1931	1788	1822	1631	1699	2370	2488	2315
PERCENT	52.6	48.2	48.2	42.5	44.3	37.3	40.1	52.3	57.1	49.2
RESERVE REQUIREMENT	778	810	802	842	823	874	848	907	871	940
MW BELOW(-)/ABOVE(+)	1270	1141	1129	946	999	757	851	1463	1617	1375
MW ADDITIONS	0	0	0	0	0	0	0	1130	0	0
MW RETIREMENTS (3)	0	0	0	0	0	0	0	0	0	0

(1) S = Summer
W = Winter

(2) All loads are presented in Megawatts (MW).

(3) The indicated MW retirements and additions are planning projections only.
No commitment has been made.

EXHIBIT A
PSI CURRENT RESOURCE PLAN
YEAR

	1988		1989		1990		1991		1992	
	(S)	(W)	(S)	(W)	(S)	(W)	(S)	(W)	(S)	(W)
PSI NATIVE LOAD (2)	4271	4482	4372	4645	4488	4813	4612	4997	4730	5178
FIRM SALES	0	0	0	0	0	0	0	0	0	0
FIRM TO WVPA	43	225	51	240	59	256	68	272	77	288
WVPA SHARE OF MARBLE HILL	158	158	158	158	158	158	158	158	158	158
TOTAL RESERVED LOAD	4472	4865	4581	5043	4705	5227	4838	5427	4965	5624
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INSTALLED CAPACITY	8199	8259	8199	8259	8109	8169	7944	8004	7944	8004
KENTUCKY-INDIANA POOL SALE	0	0	0	0	0	0	0	0	0	0
WVPA SALE TO NORTHERN INDIANA PUBLIC SERVICE COMPANY, INC.	226	226	226	226	226	226	226	226	226	226
OTHER SALES	0	0	0	0	0	0	0	0	0	0
TOTAL CAPACITY	7973	8033	7973	8033	7883	7943	7718	7778	7718	7778
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RESERVE MW	3501	3168	3392	2990	3178	2716	2880	2351	2753	2154
PERCENT	78.3	65.1	74.0	59.3	67.5	52.0	59.5	43.3	55.4	38.3
RESERVE REQUIREMENT	894	973	916	1009	941	1045	968	1085	993	1125
MW BELOW(-)/ABOVE(+)	2607	2195	2476	1981	2237	1671	1912	1266	1760	1029
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MW ADDITIONS	1130	0	0	0	0	0	0	0	0	0
MW RETIREMENTS (3)	0	0	0	0	90	0	165	0	0	0

(1) S = Summer

W = Winter

(2) All loads are presented in Megawatts (MW).

(3) The indicated MW retirements and additions are planning projections only.
No commitment has been made.

EXHIBIT A
PSI CURRENT RESOURCE PLAN
YEAR

SEASON (1)	1993		1994		1995		1996	
	(S)	(W)	(S)	(W)	(S)	(W)	(S)	(W)
PSI NATIVE LOAD (2)	4861	5364	4975	5518	5090	5674	5204	5830
FIRM SALES	0	0	0	0	0	0	0	0
FIRM TO WVPA	87	306	97	324	107	343	118	362
WVPA SHARE OF MARBLE HILL	158	158	158	158	158	158	158	158
TOTAL RESERVED LOAD	5106	5828	5230	6000	5355	6175	5480	6350
INSTALLED CAPACITY	7944	8004	7944	8004	7944	8004	7509	8119
KENTUCKY-INDIANA POOL SALE	0	0	0	0	0	0	0	0
WVPA SALE TO NORTHERN INDIANA PUBLIC SERVICE COMPANY, INC.	226	226	226	226	226	226	226	226
OTHER SALES	0	0	0	0	0	0	0	0
TOTAL CAPACITY	7718	7778	7718	7778	7718	7778	7283	7893
RESERVE MW	2612	1950	2488	1778	2363	1603	1803	1543
PERCENT	51.2	33.5	47.6	29.6	44.1	26.0	32.9	24.3
RESERVE REQUIREMENT	1021	1166	1046	1200	1071	1235	1096	1270
MW BELOW(-)/ABOVE(+)	1591	784	1442	578	1292	368	707	273
MW ADDITIONS (3)	0	0	0	0	0	0	0	550
MW RETIREMENTS (3)	0	0	0	0	0	0	435	0

(1) S = Summer
W = Winter

(2) All loads are presented in Megawatts (MW).

(3) The indicated MW retirements and additions are planning projections only.
No commitment has been made.

INFORMATION NEEDED BY THE NUCLEAR REGULATORY COMMISSION REGULATORY
STAFF IN CONNECTION WITH ITS ANTI-TRUST REVIEW OF THE OPERATING
LICENSE APPLICATION FOR MARBLE HILL NUCLEAR PLANT UNITS 1 AND 2

This information is submitted on behalf of Wabash Valley Power Association, Inc. (hereinafter referred to as "WVPA") in response to Nuclear Regulatory Commission Regulatory Guide 9.3. WVPA's membership consists of twenty-four (24) rural electric distribution systems generally located north of Highway 40 in the State of Indiana, with one member located in the State of Michigan and one member located in the State of Ohio. The 24 member systems are:

Boone County REMC	Miami-Cass County REMC
Carroll County REMC	Newton County REMC
Fruit Belt Electric Cooperative	Noble County REMC
Fulton County REMC	Parke County REMC
Hancock County REMC	Paulding-Putnam Electric
Hendricks County REMC	Cooperative, Inc.
Jasper County REMC	Steuben County REMC
Jay County REMC	Tipmont REMC
Kankakee Valley REMC	United REMC
Kosciusko County REMC	Wabash County REMC
LaGrange County REMC	Warren County REMC
Marshall County REMC	White County REMC
	Whitley County REMC

Question #1 To assist the regulatory staff in its review, an applicant for a license to operate a commercial nuclear power plant should consider the following items and any related changes that have occurred or are planned to occur since submission of the construction permit application:

Question #1a Anticipated excess or shortage in generating capacity resources not expected at the construction permit stage. Reasons for the excess or shortage along with data on how the excess will be allocated, distributed, or otherwise utilized or how the shortage will be obtained.

Answer #1a At the time the construction permit application was submitted, WVPA did not own or operate any generating facilities. This shortage of generating capacity was to be met through wholesale power purchases from area suppliers.

Since the submission of the construction permit, WVPA has financially acquired or sought entitled commitments of generated capacity. Such capacity and entitlement shall reduce the shortage of generated capacity, hence, reducing required wholesale power purchases.

Question #1b

New power pools or coordinating groups or changes in structure, activities, policies, practices, or membership of power pools or coordinating groups in which the licensee was, is, or will be a participant.

Answer #1b

On August 27, 1982, WVPA and Public Service Company of Indiana, Inc. (PSI) executed a Power Coordination Agreement. This Agreement will become effective when approved by all appropriate regulatory agencies. Generally, the Power Coordination Agreement provides for coordination between WVPA and PSI in the planning and operation of their respective generation, transmission, and distribution facilities. The essence of the Agreement is that planning of future electric facilities will be on a one-system approach.

Question #1c

Changes in transmission with respect to (1) the nuclear plant, (2) interconnections, or (3) connections to wholesale customers.

Answer #1c

WVPA has purchased certain transmission facilities from PSI pursuant to agreements with that company. All facilities purchased were either existing or under construction and are, or will be, used to transport power to WVPA's members.

- (1) WVPA purchased the Marble Hill 345kV switchyard facility and reduced its planned ownership in the Marble Hill-Columbus 765kV transmission line from 78% to 60%.
- (2) In conjunction with the agreements between WVPA and Northern Indiana Public Service Company (NIPSCO), WVPA sent a notification of cancellation of the service agreement between NIPSCO and WVPA and requested a transmission agreement. NIPSCO has not responded to such request. WVPA is proceeding with plans to take power to its members now being served by NIPSCO. However, no changes with respect to interconnections have been made or are planned at this time. At this point, WVPA has several options with respect to the source of such power, and the interconnections necessary will depend upon which source is used.
- (3) None.

Question #1d

Changes in the ownership or contractual allocation of the output of the nuclear facility. Reasons and basis for such changes should be included.

Answer #1d

No changes have occurred or are planned to occur since submission of the construction permit application.

Question #1e

Changes in design, provisions, or conditions of rate schedules and reasons for such changes. Rate increases or decreases are not necessary.

Answer #1e

From May, 1979, to May, 1982, WPPA continued to serve its member systems under a single pooling rate. The designation "pooling" is attributable to WPPA's blending the cost of its purchases from its four (4) investor-owned suppliers. During this span of time, there have been general rate increases and wholesale power cost adjustment increases. However, there were no changes in design or provision of the rates, with the exception that the demand and energy charges incorporated therein have been periodically re-aligned with the underlying demand and energy costs.

On May 20, 1982, WPPA received approval from the Public Service Commission of Indiana of a new schedule of rates ("WPPA-5"), which provides for a separate rate for delivery points falling in each of WPPA's supplier's service areas. As will be highlighted below, the primary reason for this rate change was to alleviate the competitive disadvantage some of WPPA's members were placed in by a growing disparity in the underlying costs of WPPA's power purchases.

When WPPA's rates were originally implemented in January of 1978, none of WPPA's members experienced an increase or decrease in its annual wholesale power costs of more than 4.2% and 2.3%, respectively. In contrast, the most recent data indicates this differential had increased dramatically. For example, Whitley County REMC was originally paying approximately 4.2% more to WPPA than they would have paid to Indiana & Michigan Electric Company (I&M), as opposed to currently paying 23.1% more. On the other hand, Jasper County REMC was originally paying 2.3% less to WPPA than they would have paid to NIPSCO and would presently pay approximately 11.6% less.

Comparisons of WPPA's investor-owned suppliers' retail rates indicate that the wide variances in cost of power in each of WPPA's supplier areas is indicative of the similar comparison that can be made on the retail level. This being true, some of WPPA's members were placed in a position where they were forced to charge retail rates materially higher than

the retail rates being charged by the neighboring retail distributor. Likewise other members were able to charge rates less than those of the neighboring distributor. To alleviate this problem, WVPA's Board of Directors decided, after extensive review of the various alternatives, to seek approval of an area rate. This area rate, in essence, splits the difference between WVPA's pooled cost of power and the comparable wholesale rates being charged individually by the investor-owned suppliers, thus resulting in four (4) separate rates to be charged by WVPA. The following excerpt from testimony supporting WVPA's Petition requesting the area rate describes the concept more completely:

"The rates to be applied to WVPA sales consist of two components, which are: (1) the power cost component, and (2) the WVPA operation and maintenance component. The power cost component is unique to each supplier area and is based (50%) upon WVPA's costs of power in that area, and the other (50%) is based upon the pooled concept. The WVPA O&M is the same for all supplier areas and will collect WVPA's non-purchased power revenue requirements, which include, but are not limited to, the ownership of transmission and distribution facilities, the ownership and operation of WVPA's load management system, and the ownership and operation of WVPA's headquarters building."

In its Order approving WVPA's area rate, the Public Service Commission of Indiana stated:

" . . . the tariff concept approved herein shall be applicable for a period of one (1) year from the effective date of this Order and that at the end of such period, Petitioner shall present evidence as to cost of providing power and other services to each of its members to support the 50% Pooling/50% Area rate concept approved herein"

The Public Service Commission further Ordered:

" . . . when Petitioner has generation resources in commercial operation over which it has load scheduling control, Petitioner shall apply to this Commission for an Order returning Petitioner

to a 100% pooled rate concept for its rates"

Thus, while WVPA has its area rate "WVPA-5" in effect at present, subsequent justification has to be submitted to the Public Service Commission in early 1983. Further, when WVPA has generation resources (i.e. Marble Hill) which it can actively schedule, it has no choice but to return to a 100% pooled rate as was in effect prior to May, 1982.

Question #1f

List of all (1) new wholesale customers, (2) transfers from one rate schedule to another, including copies of schedules not previously furnished, (3) changes in licensee's service area, and (4) licensee's acquisitions or mergers.

Answer #1f(1)

At the time of the construction permit application, Paulding-Putnam Electric Cooperative, Inc., R.R. 3, Paulding, Ohio 45879, indicated an interest in receiving electric service from WVPA. Since then, Paulding-Putnam has become a member of WVPA.

Answer #1f(2)

With the implementation of "WVPA-5," all delivery points were converted from a 100% pooled rate ("WVPA-4a") charged to all members, to a separate rate charged according to supplier area as identified below (See Answer 1e). In the following schedule, the numbers indicate the rate contained in "WVPA-5" that applies to sales to WVPA's member systems:

<u>Rate Code</u>	<u>Supplier Area</u>
02	Public Service Company of Indiana, Inc.
03	Northern Indiana Public Service Company
04	Indiana & Michigan Electric Company
05	Indianapolis Power & Light Company

<u>Member System</u>	<u>Delivery Points</u>	<u>Rate Code</u>
Boone County REMC	9 1	02 05
Carroll County REMC	2 5	03 02
Fruit Belt Electric Cooperative	20	04
Fulton County REMC	2 4	03 02
Hancock County REMC	6	02
Hendricks County REMC	11	02
Jasper County REMC	7	03
Jay County REMC	10	04
Kankakee Valley REMC	13	03
Kosciusko County REMC	12 1	03 02
LaGrange County REMC	6	03
Marshall County REMC	8	03
Miami-Cass County REMC	5	02
Newton County REMC	4	03
Noble County REMC	2 8	03 04
Parke County REMC	10	02
Paulding-Putnam Electric Cooperative, Inc.	4	04
Steuben County REMC	7*	03
Tipmont REMC	19	02
United REMC	9 2	04 02
Wabash County REMC	8	02

cont.

<u>Member System</u>	<u>Delivery Points</u>	<u>Rate Code</u>
Warren County REMC	4 6	03 02
White County REMC	10	03
Whitley County REMC	13	04

*One delivery point added after the rate change. A copy of approved rate schedule "WVPA-5" is attached hereto as Exhibit "A".

Answer #1f(3)

WVPA's service area was increased by the Indiana portion of Paulding-Putnam Electric Cooperative, Inc.'s service area when it became a member of WVPA. (See response #1f(1).) This addition to WVPA's service area covers portions of two (2) Indiana counties ---Allen and Adams---and is generally bounded on the north by Decalb County, on the south by the City of Decatur, on the east by the Indiana-Ohio state line, and on the west by the City of Fort Wayne.

Answer #1f(4)

None.

Question #1g

List of those generating capacity additions committed for operation after the nuclear facility, including ownership rights or power output allocations.

Answer #1g

WVPA currently has an entitled commitment from PSI of 150 MW commencing in 1988 through 1996. The following tabulation represents the current schedule of that entitlement:

<u>Year</u>	<u>Gibson No. 4 Block Available MW</u>	<u>Year</u>	<u>Gibson No. 4 Block Available MW</u>
1988	150	1993	150
1989	150	1994	113
1990	150	1995	75
1991	150	1996	38
1992	150	1997	0

Question #1h

Summary of requests or indications of interest by other electric power wholesale or retail distributors, and licensee's response, for any type of electric service or cooperative venture or study.

Answer #1h

Recently, Hoosier Energy Rural Electric Cooperative, Inc., indicated to WVPA an interest in a long-term unit power sale to WVPA. WVPA has responded that it is interested in such participation if participation provides benefits to its members. WVPA is conducting economic analyses to determine the economic feasibility of this venture.

Question #2

Licensees whose construction permits include conditions pertaining to anti-trust aspects should list and discuss those actions or policies which have been implemented in accordance with such conditions.

Answer #2

Not applicable to WVPA.

WABASH VALLEY POWER ASSOCIATION, INC.

RATE SCHEDULE - WVPA-5

AVAILABILITY

Available to Rural Electric Membership Cooperatives who have executed a power supply contract with the Wabash Valley Power Association, Inc.

MONTHLY RATE

DELIVERY POINTS SERVED BY PUBLIC SERVICE INDIANA THROUGH WVPA

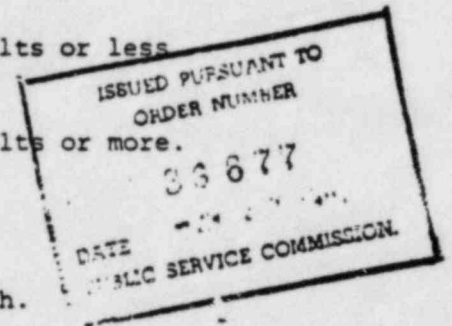
Maximum Demand Charge

Distribution service at delivery voltages of 15,000 volts or less.
Each KW of billing maximum demand ... \$8.33 per KW.

Transmission service at delivery voltages of 15,000 volts or more.
Each KW of billing maximum demand ... \$7.83 per KW.

Energy Charge

\$.01744 per kilowatt hour for all energy used per month.



DELIVERY POINTS SERVED BY NORTHERN INDIANA PUBLIC SERVICE COMPANY THROUGH WVPA

Maximum Demand Charge

Distribution service at delivery voltages of 15,000 volts or less.
Each KW of billing maximum demand ... \$8.05 per KW.

Transmission service at delivery voltages of 15,000 volts or more.
Each KW of billing maximum demand ... \$7.55 per KW.

Energy Charge

\$.01695 per kilowatt hour for all energy used per month.

DELIVERY POINTS SERVED BY INDIANA & MICHIGAN ELECTRIC COMPANY THROUGH WVPA

Maximum Demand Charge

Distribution service at delivery voltages of 15,000 volts or less.
Each KW of billing maximum demand ... \$8.62 per KW.

Transmission service at delivery voltages of 15,000 volts or more.
Each KW of billing maximum demand ... \$8.12 per KW.

Energy Charge

\$.01310 per kilowatt hour for all energy used per month.

DELIVERY POINTS SERVED BY INDIANAPOLIS POWER & LIGHT COMPANY THROUGH WVPA

Maximum Demand Charge

Distribution service at delivery voltages of 15,000 volts or less.
Each KW of billing maximum demand ...\$6.47 per KW.

Transmission service at delivery voltages of 15,000 volts or more.
Each KW of billing maximum demand ...\$5.97 per KW.

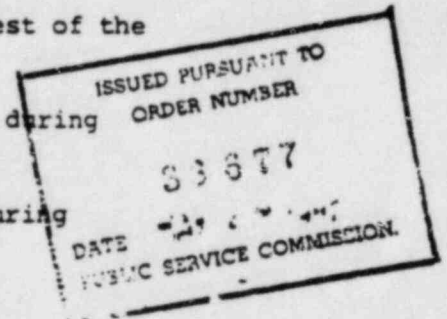
Energy Charge

\$.01429 per kilowatt hour for all energy used per month.

Determination of Billing Maximum Demand

The monthly billing maximum demand shall be the greatest of the following:

- a. The highest 15 minute kilowatt demand metered during the month,
- b. 60% of the highest meter demand established during the previous twelve months, or
- c. The contract capacity.



The billing demand shall be adjusted to reflect any load shifts that occur between delivery points. When delivery is at 15,000 volts or above, the metered demand shall be reduced by 1-1/2% for billing purposes.

Determination of Billing Energy

The monthly billing energy shall be the total kilowatt hours used during the billing month. When delivery is at 15,000 volts or more, the metered energy shall be reduced by 1-1/2% for billing purposes.

Fuel Cost Charge

The above rates are subject to change in fuel cost charge in accordance with ICS-1-2-1 et sec., as amended. The amount of the fuel cost charge is calculated in accordance with orders No. 35044 and No. 35687 of the Public Service Commission of Indiana. The change in fuel cost charge is stated in Appendix "B" which is applicable hereto and is issued and effective on the date shown on Appendix "B".

Rate Adjustment

The above rates are subject to a wholesale power cost adjustment tracking factor, in accordance with the order of the Public Service Commission of Indiana, approved December 17, 1976 in Cause No. 34614

and adapted for use by Wabash Valley Power Association, Inc. in Cause No. 35044, and any such succeeding orders or provisions. The wholesale power cost adjustment tracking factor stated in Appendix "A" is applicable hereto and is issued and effective on the data shown on Appendix "A".

Tax Adjustment Clause

The rates charged under this schedule shall be adjusted to provide an amount sufficient to reimburse Wabash Valley Power Association, Inc. for any amounts payable by it as a result of the imposition or removal of any sales, excise or similar taxes or assessments based on the total sales or receipts of WVPA or a portion thereof imposed after the effective date of this schedule.

Power Factor

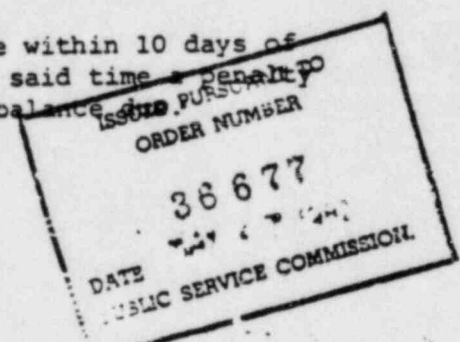
The members shall, at all times, take and use power so as to maintain as nearly as practicable a 100% power factor at the time of the metered maximum kilowatt demand. When the power factor at the time of the metered maximum demand is determined to be less than 90%, the maximum billing demand shall be determined by multiplying the metered maximum demand by 90% and dividing the product thus obtained by the actual power factor.

Metering

Service will be delivered and metered at a nominal voltage of 12,470 volts or more. If, however, deliveries are metered at a voltage in excess of 12,470 volts, the metered kilowatts and kilowatt hours will be reduced by 1-1/2% for billing purposes.

Terms of Payment

Bills shall be rendered monthly and shall be due within 10 days of the date thereof. If bills are not paid by the said time, a penalty of 8% per annum shall be applied to the unpaid balance.



WABASH VALLEY POWER ASSOCIATION, INC.

APPENDIX "A"

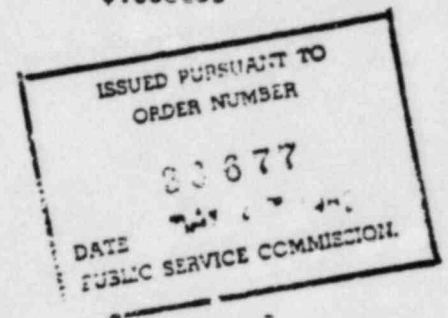
Rate Adjustment (Applicable to Rate "WVPA5" - PSI Delivery Points)

The rate adjustment shall be on the basis of a Purchased Power Cost Adjustment Tracking Factor occasioned solely by changes in the cost of purchased power in accordance with the orders of the Public Service Commission of Indiana, approved December 17, 1976 in Cause No. 34614 and the Wabash Valley Power Association, Inc. Pooling Rate Order in Cause No. 35044, approved December 20, 1977.

Rate adjustment applicable to the above listed
rate schedule - PSI Area

\$.000165

Includes Wholesale Power Cost Changes through
PSI ER81-708.



WABASH VALLEY POWER ASSOCIATION, INC.

APPENDIX "A"

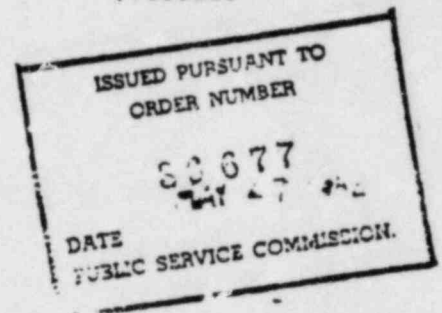
Rate Adjustment (Applicable to Rate "WVPA5" - NIPSCO Delivery Points)

The rate adjustment shall be on the basis of a Purchased Power Cost Adjustment Tracking Factor occasioned solely by changes in the cost of purchased power in accordance with the orders of the Public Service Commission of Indiana, approved December 17, 1976 in Cause No. 34614 and the Wabash Valley Power Association, Inc. Pooling Rate Order in Cause No. 35044, approved December 20, 1977.

Rate adjustment applicable to the above listed
rate schedule - NIPSCO Area

\$.000165

Includes Wholesale Power Cost Changes through
PSI ER81-708.



WABASH VALLEY POWER ASSOCIATION, INC.

APPENDIX "A"

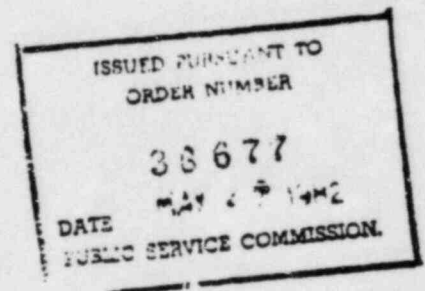
Rate Adjustment (Applicable to Rate "WVPA5" - I&M Delivery Points)

The rate adjustment shall be on the basis of a Purchased Power Cost Adjustment Tracking Factor occasioned solely by changes in the cost of purchased power in accordance with the orders of the Public Service Commission of Indiana, approved December 17, 1976 in Cause No. 34614 and the Wabash Valley Power Association, Inc. Pooling Rate Order in Cause No. 35044, approved December 20, 1977.

Rate adjustment applicable to the above listed
rate schedule - I&M Area

\$.000165

Includes Wholesale Power Cost Changes through
PSI ER81-708.



WABASH VALLEY POWER ASSOCIATION, INC.

APPENDIX "A"

Rate Adjustment (Applicable to Rate "WVPAS" - IP&L Delivery Points)

The rate adjustment shall be on the basis of a Purchased Power Cost Adjustment Tracking Factor occasioned solely by changes in the cost of purchased power in accordance with the orders of the Public Service Commission of Indiana, approved December 17, 1976 in Cause No. 34614 and the Wabash Valley Power Association, Inc. Pooling Rate Order in Cause No. 35044, approved December 20, 1977.

Rate adjustment applicable to the above listed
rate schedule - IP&L Area

\$.000165

Includes Wholesale Power Cost Changes through
PSI ER81-708.

