

AUG 16 1983

Mr. E.L. Draper, Jr.
Vice President-Nuclear Technology
Gulf States Utilities Company
P.O. Box 2951
Beaumont, Texas 77704

Re: River Bend Station, Unit 1; Docket No. 50-452; Update Antitrust Information Responsive to the Commission's Regulatory Guide 9.3

Dear Mr. Draper:

As a part of the operating license review process, the NRC staff reviews changes in the applicant's(s) activities that have occurred since the initial antitrust review at the construction permit stage. The data submitted by Gulf States Utilities Co. (GSU) in response to the Commission's Regulatory Guide 9.3 (copy attached) is now more than two years old. Moreover, the antitrust information submitted by co-applicant Cajun Electric Power Cooperative (Cajun) that accompanied the October 26, 1979 application to amend GSU's construction permit is almost four years old. In order for staff to adequately assess whether or not there has been changed activity since the construction permit review, we would appreciate updated responses to the Commission's Regulatory Guide 9.3 by both GSU and Cajun.

For GSU, we would like updated responses to all portions of 9.3 including B.1.a. through B.1.h. as well as GSU's response to B.2. which included your "B.2.a.--implemented actions and policies" and "B.2.b.--present negotiations". Your responses should include all changed activity which has taken place since your original 9.3 data response, dated April 22, 1981.

Cajun has not filed any antitrust information pertaining to changed activity. We would like responses to all portions of 9.3 from Cajun since its October 26, 1979 antitrust information which was included in the application to amend GSU's construction permit (CPPR-145).

To the extent there has been changed activity, please so designate and identify by category. A copy of GSU's original 9.3 response is attached for your reference. If you have any questions, please contact Mr. William Lambe of my staff at (301) 492-8048.

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Please provide your responses within forty-five (45) days of the date of this letter.

Sincerely,

Original signed by W. H. Regan, Jr.

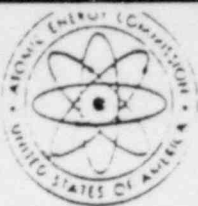
Wm. H. Regan, Jr., Chief
Site Analysis Branch
Office of Nuclear Reactor Regulation

Attachments:

1. Regulatory Guide 9.3
2. April 22, 1981 9.3 Data Response

DISTRIBUTION
Dockets
SAB Rdg
SAB Plant
BVogler, OELD
WJohnston
WRegan
AToalston
WLambe

OFFICE	DE: SAB: AEAS	DE: SAB: AEAS	DE: SAB				
NAME	WLambe:11	AToalston	WRegan				
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REGULATORY GUIDE

DIRECTORATE OF REGULATORY STANDARDS

REGULATORY GUIDE 9.3

INFORMATION NEEDED BY THE AEC REGULATORY STAFF IN CONNECTION WITH ITS ANTITRUST REVIEW OF OPERATING LICENSE APPLICATIONS FOR NUCLEAR POWER PLANTS

A. INTRODUCTION

As required by the December 19, 1970, amendments to the Atomic Energy Act of 1954, the Atomic Energy Commission conducts antitrust reviews with respect to construction permits and operating licenses it issues for commercial nuclear facilities. The Commission must under certain circumstances, make a finding as to whether the activities under the permit or license would create or maintain a situation inconsistent with the antitrust laws. An antitrust review at the operating license stage is not required unless the AEC determines such review is advisable on the ground that significant changes in the licensee's activities or proposed activities have occurred subsequent to the previous antitrust review conducted by the Attorney General and the Commission at the construction permit stage. This regulatory guide identifies the type of information that the Regulatory staff considers germane for a decision as to whether a second antitrust review is required at the operating license stage.

B. INFORMATION NEEDED BY THE AEC REGULATORY STAFF IN CONNECTION WITH ITS ANTITRUST REVIEW OF OPERATING LICENSE APPLICATIONS FOR NUCLEAR POWER PLANTS

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:

- 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.
- 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.
- c. Changes in transmission with respect to (1) the nuclear plant, (2) interconnections, or (3) connections to wholesale customers.
- d. Changes in the ownership or contractual allocation of the output of the nuclear facility. Reasons and basis for such changes should be included.
- e. Changes in design, provisions, or conditions of rate schedules and reasons for such changes. Rate increases or decreases are not necessary.
- 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.

USAEC REGULATORY GUIDES

Regulatory Guides are issued to describe and make available to the public methods acceptable to the AEC Regulatory staff of implementing specific parts of the Commission's regulations, to delineate techniques used by the staff in evaluating specific problems or postulated accidents, or to provide guidance to applicants. Regulatory Guides are not substitutes for regulations and compliance with them is not required. Methods and solutions different from those set out in the guides will be acceptable if they provide a basis for the findings requisite to the issuance or continuance of a permit or license by the Commission.

Published guides will be revised periodically, as appropriate, to accommodate comments and to reflect new information or experience.

Copies of published guides may be obtained by request indicating the divisions desired to the U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Director of Regulatory Standards. Comments and suggestions for improvements in these guides are encouraged and should be sent to the Secretary of the Commission, U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Docketing and Service Section.

The guides are issued in the following ten broad divisions:

- | | |
|-----------------------------------|------------------------|
| 1. Power Reactors | 6. Products |
| 2. Research and Test Reactors | 7. Transportation |
| 3. Fuel and Material Facilities | 8. Occupational Health |
| 4. Environmental and Siting | 9. Antitrust Review |
| 5. Materials and Plant Protection | 10. General |

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

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.

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.

3. Five copies of a separate document entitled "Information for Antitrust Review of Operating License Application" and containing the above requested information should be submitted when the operating license application documents are submitted or as soon thereafter as possible.

BEFORE THE
UNITED STATES
NUCLEAR REGULATORY COMMISSION

DOCKET NOS.
50-458 & 50-459

IN THE MATTER OF:
GULF STATES UTILITIES COMPANY, AND
CAJUN ELECTRIC POWER COOPERATIVE

OPERATING LICENSE APPLICATION
ANTITRUST REVIEW INFORMATION
SUBMITTED PURSUANT TO THE ATOMIC ENERGY ACT,
SECTION 105c(2) AND REGULATORY GUIDE 9.3

FOR
RIVER BEND STATION
UNITS 1 AND 2

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BEFORE THE
UNITED STATES
NUCLEAR REGULATORY COMMISSION
DOCKET NOS. 50-548 & 50-549

IN THE MATTER OF:
GULF STATES UTILITIES COMPANY, AND
CAJUN ELECTRIC POWER COOPERATIVE

INFORMATION FOR ANTITRUST REVIEW
OF OPERATING LICENSE APPLICATION

Gulf States Utilities (G.S.U.) on its own behalf and in behalf of Cajun Electric Power Cooperative (Cajun) submits herein the antitrust review information for the operating license application as required by the Atomic Energy Act of 1954, as amended, and in accordance with Regulatory Guide 9.3, Section B. Construction of the River Bend Station facility was authorized in March, 1977 by the issuance of Construction Permit Nos. CPPR-145 and CPPR-146 for River Bend Station, Units 1 and 2. Cajun antitrust information was previously submitted pursuant to 10CFR30.33a(2) in an application requesting an amendment (October 26, 1979) to CPPR-145 and remains unchanged. Therefore the following information provided only addresses the GSU Company.

ANTITRUST INFORMATION

- A. Antitrust Information Required by Regulatory Guide 9.3, Section E.
- B. Information needed by the NRC in connection with its antitrust review of operating license applications for nuclear power plants.
 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:
 - 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:

The reserve margin for the original proposed in-service date of 1981 for River Bend Station Unit 1 was 15.8%. In an analysis at that time, the Atomic Energy Commission wrote, "The Federal Power Commission considers limits of 15% to 25% margin of reserve capability over peak demand acceptable." (Environmental Statement, River Bend Units 1 and 2, Docket Nos. 50-458 and 50-459, September, 1974).

The reserve margin for the River Bend Station Unit 1 in-service date of 1984 is expected to be 20.6%. The Southwest Power Pool (SWPP) currently requires a minimum of 15% reserves. This minimum is expected to be revised upward in the near future. Using these criteria, there is no anticipated excess or shortage in generating capacity resources.

B.1.c. 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:

In 1973, GSU was (and still is) a member of the SWPP. Attached hereto is a list of SWPP members as of December 31, 1973 (Attachment 1) and a list of SWPP members as of January 1, 1981 (Attachment 2). There has been very little change, if any, in the structure, activities and policies of the SWPP. A SWPP "Second Coordination Agreement" became effective January 1, 1980 (Attachment 3). This agreement changed the method of allocation of expenses and redefined and established committees.

In 1973, GSU was (and still is) a member of the South Central Electric Companies (SCEC) and operates under a Coordination Agreement dated February 10, 1964. There have been no changes in the activities and policies of the SCEC group. (See reply to B.2 for additional information.)

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

Response:

- (1) There have been no changes in respect to the design and planning of transmission lines for the River Bend Station Unit 1 (see C.2 below).

- (2) The changes in interconnections in the GSU system are as follows:

The planned 500 KV line between Webre Station and River Bend Station switchyard has been changed to provide an interconnection for Big Cajun No. 2 Generating Plant which is located between Webre and River Bend Station. The line has been used to provide electric service to the Big Cajun No. 2 plant as a delivery point which will continue until Cajun begins commercial operation of their first coal unit which will establish the interconnection. The section of line between Big Cajun No. 2 and River Bend Station has been completed. A planned 500 KV line between River Bend Station and McKnight Substation will be completed in the next few years. Since Cajun will own 30% of the River Bend Station Unit No. 1, these lines will carry their capacity and energy from both their coal plant and their share of River Bend Station.

A new 345 KV interconnection is to be complete about April 1, 1981, with Southwest Electric Power Company (SWEPCO) between GSU's Grimes Substation and SWEPCO's proposed Pirkey Power Plant site. The division of ownership will be at the Houston County/Walker County line.

A new 138 KV interconnection (GSU line 420) is to be completed about June 1, 1981, from Fawil to Central Louisiana Electric Company (CLECO) near Merryville, Louisiana.

An existing 69 KV interconnection with CLECO near DeQuincy, Louisiana is being converted to 230 KV and is currently scheduled to be completed about June 1, 1981. This is being done by converting 69 KV line No. 263 to 230 KV from the GSU Nelson Power Plant to DeQuincy.

- (3) The Sales for Resale Schedule in the Company's 1980 Federal Energy Regulatory Commission (FERC) Form #1 reflects the current status of connections to various wholesale customers or points of delivery. Major changes in wholesale connections are as follows:

Since 1973, there have been several changes in voltages and capacities where G.S.U. had contracts for Wholesale Service with both municipals and cooperatives. In most cases voltages were changed from 13.8 KV to 138 KV and transformer capacity was increased. All changes were made in accordance with the contracts.

Municipals

The City of College Station, Texas became a municipal customer (FERC Rate Schedule 123) on April 1, 1977. Kirbyville Light & Power was sold to the City of Kirbyville, Texas and became a municipal customer (FERC Rate Schedule 110) in January of 1975. The City of Rayne, FERC Rate Schedule 127, superseded previous service FERC Rate Schedule 124 in April of 1980. The City of New Roads, FERC Rate Schedule 125, superseded previous service FERC Rate Schedule 119 in May of 1977.

Cooperatives:

Deep East Texas Electric Cooperative, FERC Rate Schedule 69, was transferred to Sam Houston Electric Cooperative, FERC Rate Schedule 98. Robertson Electric Cooperative FERC Rate Schedule 107 became part of Brazos Electric Power Cooperative in January of 1975, FERC Rate Schedule 126. Mid South Electric Cooperative, FERC Rate Schedule 76, became part of Brazos Electric Power Cooperative in March 1979, FERC Rate Schedule 126.

There have been several changes made in voltages for Cajun under our Power Interconnection Agreement. In most cases Cajun combined distribution voltage meter points and took transmission service. All of the following changes were made in accordance with the contract. Jeff Davis Electric Cooperative, FERC Rate Schedule 70; Dixie Electric Membership Corporation, FERC Rate Schedule 74; Pointee Coupee Electric Membership Corporation, FERC Rate Schedule 75; and Beauregard Electric Cooperative, FERC Rate Schedule 73, became members of Cajun FERC Rate Schedule 104.

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

Response:

There have been the following changes in the ownership of River Bend Station Unit 1. On August 28, 1979, GSU and Cajun signed a Joint Ownership Participation and Operating Agreement under which Cajun would own 30% of River Bend Station Unit 1.

On October 11, 1979, Sam Rayburn G&T (SRG&T) signed and entered into the Joint Ownership Agreement with GSU and Cajun with SRG&T to own 7% of River Bend Station Unit 1.

On October 26, 1979, GSU filed a construction permit amendment with the NRC requesting joint ownership approval.

On October 3, 1980, the NRC approved the Cajun portion of the joint ownership. The SRG&T approval is still pending.

As of January 5, 1981, the REA Administrator approved Cajun's share of ownership and on January 7, 1981, Cajun started contributing construction funds to "earn-in" to their 30% ownership.

SRG&T's loan approval for their 7% ownership is pending the REA Administrator's approval.

The Co-owners will share in the output of the nuclear unit in proportion to their ownership shares.

The reasons for the changes in ownership are as follows:

Under Item (8) in GSU's letter dated March 20, 1974, to the United States Department of Justice, GSU agreed to other entities participating in River Bend Station. Subsequently, this became the Item 9 under the antitrust conditions of the NRC issued Construction Permits.

In addition, GSU had made certain commitments in regard to its proposed Blue Hills Nuclear Plant. When GSU had to indefinitely defer its Blue Hills project, it offered ownership participation in River Bend Station to those entities in Texas which would have been offered ownership in Blue Hills. As a result of this, SRG&T contracted to own 7% of River Bend Station.

As of this time Cajun and SRG&T have contracted for 30% and 7% ownership, respectively, of River Bend Station Unit 1. Under the Ownership Agreement, other entities in Louisiana and Texas may still obtain a percentage ownership from GSU's 63% share, subject to regulatory approval.

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

Response:

There have been no changes in rate schedules other than those rate increases which have been approved by Regulatory Agencies.

1. List of all 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) and (2) - See response to c(3).

3, and (4) - The following items relate to changes in certificated service areas and transactions with other utilities since 1973:

Texas

1. Public Utility Commission of Texas' (PUCT) Examiner's Report and Order in Docket No. 130 - Application of GSU for a Certificate of Convenience and Necessity within Grimes County.
2. PUCT's Examiner's Report and Order in Docket No. 1989 - Application of Mid-South Electric Cooperative Association to Amend Certificate of Convenience and Necessity within Montgomery County.
3. PUCT's Examiner's Report and Order in Docket No. 2601 - Application of GSU to Amend Certificated Service Areas within Liberty County.
4. PUCT's Examiner's Report and Order in Docket No. 3141 - Application of GSU to Amend its Certificate of Convenience and Necessity within Madison County.
5. PUCT's Examiner's Report and Order in Docket Nos. 3278 and 3279 - Application of GSU to Amend Certificates of Convenience and Necessity for Proposed Transmission Facilities within Gregg, Lee, Milam and Williamson Counties.
6. Agreement of Sale Between GSU and Jasper-Newton Electric Cooperative for the Sale of Feeder Nos. 8 and 9 dated December 9, 1977.

Louisiana

1. Bill of Sale between GSU and the City of Lafayette for certain electric distribution facilities dated May 25, 1976.
2. Bill of Sale between GSU and City of Abbeville for certain electric distribution facilities dated December 21, 1977.
3. Bill of Sale between GSU and the City of Lafayette for certain electric distribution facilities dated February 16, 1978.
4. Agreement of GSU and City of Lafayette for sale of certain electric distribution facilities dated May 21, 1980.
5. Bill of Sale between GSU and the City of Lafayette for certain electric distribution facilities dated May 21, 1980.

There are no certificated service areas in Louisiana in the sense that such areas exist in the State of Texas. In Texas, it is possible that there have been other changes in the certificated area as a result of actions brought by other utilities in which OSU may have only been marginally involved and as a result of actions taken by the PUCT in initially establishing certificated areas. It should be noted that the designation of certificated areas is a matter of public record before the PUCT and those records may be consulted for a final and conclusive determination of any changes in service areas within the State of Texas.

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

Response

The generating capacity additions which are now committed for operation after River Bend Station Unit 1 are:

Nelson Station No. 5, Westlake, Louisiana - a 540 MW coal-fired plant which, at this time, is owned by GSN.

to meet GSU system demands during the transition to other fuels in the late 1980's. After TMPA makes a decision on building the second unit, GSU will have further discussions with them.

5. In 1979, the City of Opelousas, Louisiana requested GSU and others to submit proposals for supplying them power. GSU made a proposal based on GSU's applicable FERC approved service schedules. After several meetings and some correspondence, the City, upon recommendation of their Consultant rejected all proposals, including GSU's. On February 5, 1981, the mayor of Opelousas sent GSU an addenda to the Consulting Engineer's report requesting GSU's study and comment. On February 13, 1981, GSU responded and offered several comments and observations. By letter dated February 18, 1981, the mayor asked GSU to reply by February 25, 1981, with any additional reply or alteration, or affirmation of GSU's original proposal. GSU is now preparing an updated proposal.
6. In 1978, the City of Jasper, Texas, had plans to install a 25 MW wood burning generating plant and approached GSU to provide another interconnection and transmission service. GSU met with representatives of Jasper and offered to work out a Power Interconnection Agreement including reserve sharing and transmission service to bulk power from and to Jasper with other entities. Jasper has not yet notified GSU of their plans to go ahead with the construction of this unit. Jasper is a member of Sam Rayburn Municipal Power Agency (SRMA) which will be a co-owner of the GSU Nelson Station Unit #6.
7. In April 24, 1979, the City of Hearne, Texas, sent GSU a letter in which they said they were evaluating their long-term electrical options. In subsequent meetings the basis for a proposal was worked out and GSU submitted a proposal. Hearne also had a proposal from Brazos Electric Cooperative, Inc. By letter dated June 5, 1980, Hearne advised GSU that for the time being, Hearne would continue to operate its power plant and continue to maintain its interchange agreement with Brazos.
8. By letter dated November 5, 1980, from attorney Wallace E. Brand to GSU's M. M. Williams, Manager, Business Development, Mr. Brand said one of his clients had need of approximately 17,000 KW at 50% load factor at or near one of GSU's major substations in Louisiana. Mr. Brand said his client would require service about May 1, 1981. M. M. Williams responded by letter dated November 10, 1980, requesting more information and suggested a meeting with the client or the client's consulting engineer to work out details. In a subsequent telephone call, Mr. Brand told Mr. Williams the client was the City of Winnfield, Louisiana. There have been no further developments. The City of Winnfield, Louisiana is approximately 85 miles from GSU's service area.
9. Central and Southwest Corporation (CSW) is seeking interconnection with electric companies operating as part of the Electric Reliability Council of Texas (ERCOT). GSU is not a member of ERCOT. GSU and Southwestern Electric Power Company, an affiliate of CSW, have constructed interconnection facilities and are now in the process of entering into and obtaining regulatory approval of an interconnection agreement. Due to this new interconnection and the geographic

B.1.b. 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:

The following list shows requests received by GSU which did not result in the supplying of service or to date the negotiations are incomplete (see answer to B.2 for those we completed).

1. In 1976 and 1977, GSU worked with and supplied information to Brown & Root, Inc. Houston, Texas, who prepared a very comprehensive Power Supply Study for an organization which was to be named the Sabine Basin Development Corporation. The study contemplated development of electrical generation from some sixteen generating plant sites along the Sabine River Basin. They anticipated there would be thirteen cooperative and municipal members. GSU was agreeable to joint ownership of plants in or near its service area and would have provided transmission service under Power Interconnection Agreements as necessary.

The organization was not consummated. There has been no activity on their part since 1977.

2. On May 21, 1979, the Public Utilities Board of the City of Brownsville, Texas, sent GSU a letter indicating their interest in purchasing 50 MW in base load capacity including potential ownership. GSU replied to their letter June 20, 1979, asking for a meeting to set up negotiations for Brownsville's ownership in GSU's future generating units. Brownsville did not reply to GSU's letter. Brownsville is approximately 350 miles from the GSU service area.

3. On March 12, 1980, GSU met with representatives of the City of Denton, Texas, to discuss the future power requirements of the City. GSU supplied all information requested and offered to enter into negotiations with the City to allow co-ownership of some of the GSU generating units. The City's consultant engineers, Gilbert/Commonwealth, have not yet advised G.S.U. of any further interest. Denton, Texas is approximately 180 miles from the GSU service area. The City of Denton is a member of TMPA, see 4. below.

4. By letter dated March 14, 1979, Texas Municipal Power Agency (TMPA) requested Joint Generation Planning information and asked about GSU's interest in a joint (ownership) generation venture or about the ability to make a short-term or long-term sale of power to TMPA. GSU replied by letter dated March 26, 1979, indicating GSU would be pleased to meet with them to discuss future generation plans and joint generation planning. TMPA then waited until September 12, 1980, to reply and a meeting was held as described in the next paragraph.

On November 7, 1980, GSU met with representatives of TMPA (an organization made up of the cities of Greenville, Garland, Denton and Bryan, Texas). TMPA is building a 408 MW lignite unit near Carlos, Texas, and is performing studies to build a second unit at the same site. GSU expressed an interest in buying power from the second unit.

proximity of GSU to Houston Lighting and Power Company, a member of ERCOT, the interconnection arrangements effected as a result of the various regulatory proceedings between CSW and ERCOT may affect the type and availability of interconnections of GSU. GSU has intervened in a Docket Number EL77-6 before the Federal Energy Regulatory Commission concerning the proposed interconnections between CSW and ERCOT.

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:

- a. GSU has implemented actions and policies in accordance with those conditions pertaining to antitrust aspects included in the construction permits. All conditions listed under D (Attachment 4) have been implemented under the following arrangements or contracts:

SWPP Coordination Agreement. The SWPP was formed to provide joint planning and coordination in construction and operation of transmission systems for increased operating efficiency and service reliability, interchange of information, preparation of joint reports, coordination of generation, and to establish criteria concerning service reliability and encouraging transmission line interconnections and interconnections contracts among the members. This Agreement is not an interconnection agreement. Since 1973, there have been many new municipal and cooperative members. See reply to B.1.b.

SCEC Coordination Agreement dated February 10, 1964. SCEC was formed to derive efficiencies and economies from an interconnected transmission system as well as greater reliability. The Agreement recognizes interconnection agreements between the various members and constitutes an agreement to remain interconnected and operate in a synchronized system. The Agreement provides for joint planning for installation of generating units, transmission facilities, coordination of generation, and communication facilities by the various Participants. It also provides for the review of load and capability forecasts of the Participants, determination of minimum percentage reserve capacity requirements, and establishment of operating procedures for the interconnected operation of the system. SCEC administers the diversity interchange with TVA.

Interconnection Agreement and Service Schedules between GSU, Louisiana Power and Light Company, and Central Louisiana Electric Company dated September 1, 1951. (Usually referred to as the "Three-Party Agreement") This Agreement provides for interconnection points and exchange of power and energy between any two parties of the three under various schedules, and coordination of generation.

Power Interconnection Agreement dated December 12, 1972, between GSU and Cajun. This contract provides for GSU to furnish Cajun with transmission service from its Big Cajun #1 Plant to four member cooperatives and interchange of power and energy under various schedules, and coordination of generation. This Power Interconnection Agreement will be superseded shortly by a new Power Interconnection Agreement dated June 26, 1978, which will provide transmission service for the two existing gas generating units and for two additional Cajun generating sources consisting of three coal-fired units and a co-owned nuclear unit. The new agreement will also serve any of Cajun's twelve cooperative member delivery points in or near GSU service area. The new agreement also provides for emergency service, scheduled maintenance service (replacement energy), economy service, transmission

of bulk power (for Cajun) from one entity to another, transmission of power for Cajun from their generating source to another entity. A Wholesale Power Agreement provides for GSU to supply full requirements to certain small usage delivery points, temporary delivery points, etc. This Interconnection Agreement includes Service Schedule Transmission Ownership Equalization (CTOC), which provides for ownership of an Integrated Transmission System by GSU and Cajun.

Power Interconnection Agreement dated January 8, 1974, between GSU and the City of Lafayette, Louisiana. This contract provides for Gulf States to furnish Lafayette with transmission service from Lafayette to other "entities" and interchange of power and energy under various schedules, and coordination of generation. Under this contract GSU has provided transmission service for bulk power from the City of Lafayette, Louisiana to Louisiana Power and Light Company for delivery to Jonesboro, Jonesville, and Minden, Louisiana, and for Cajun delivery points on LP&L's system.

Power Interconnection Agreement dated January 8, 1974, between GSU and the City of Plaquemine, Louisiana. This contract provides for Gulf States to furnish Plaquemine with transmission service from Plaquemine to other "entities" and interchange of power and energy under various schedules, and coordination of generation. Under this contract we have provided Plaquemine with emergency service and scheduled maintenance service (replacement energy) from time to time as requested. Plaquemine has had some troubles with their fuel supply and power plant. At Plaquemine's request, GSU started serving Plaquemine's full requirements on January 19, 1981, under an interim wholesale contract until Plaquemine can get their power plant and fuel supply problems worked out. Since the beginning of the 1974 contract, Plaquemine has not been able to supply any emergency service or replacement energy to GSU.

On August 28, 1979, GSU and Cajun signed a Joint Ownership Participation Agreement for River Bend Station Unit 1 providing for Cajun to own 30% of the unit. On October 11, 1979, SRG&T (a Texas G&T) signed the same Ownership Agreement to own 7% of the unit. (See reply to B.I.h. for more information on River Bend Station Unit 1 ownership.)

On June 6, 1980, GSU, SRG&T, and SRMA signed a Joint Ownership Participation and Operating Agreement - Nelson Station, Coal Unit #6, under which GSU will own 70%, SRG&T will own 10%, and SRMA will own 20% of the 540 MW Unit near Westlake, Louisiana.

On June 6, 1980, GSU, Sam Rayburn Dam Electric Cooperative, Inc., (SRDE), SRG&T, and SRMA signed a Power Interconnection Agreement, Interim Power Supply Agreement, and Power Supply Agreement. These agreements provide for transmission service, coordination of generation, sharing of reserves, obtaining reserves, and credits to SRDE for Sam Rayburn Hydro Project Capacity and Energy.

On November 14, 1980, GSU and Cajun signed a Joint Ownership Participation and Operating Agreement - Big Cajun No. 2, Coal Unit No. 3 under which Cajun would own 51%, GSU would own 42%, and SRG&T would own 7% of the 540 MW unit.

GSU has furnished Cajun a letter of intent for GSU to own up to 25% of the Big Cajun No. 3, Oxbow Unit No. 1, which will be a 540 MW lignite fired unit. Cajun will be a majority owner and Project Manager.

On December 1, 1978, GSU and Brazos Electric Power Cooperative, Inc. started an Agreement for Wholesale Electric Service to Rural Electric Cooperatives under which GSU serves several delivery points, some of which are served at transmission voltage.

On May 1, 1979, GSU started servicing the City of Rayne, Louisiana under an Agreement for Wholesale Electric Service to Municipalities under which GSU serves Rayne and also gives Rayne an allowance for maintaining their electric generating plant for standby service.

Under a contract dated May 14, 1974, GSU provides electric service to Kirbyville Light and Power Company (Kirbyville, Texas) and gives them an allowance for maintaining their electric generating plant for standby service.

b. Present Negotiations:

GSU is now in negotiations as follows:

1. Louisiana Energy and Power Authority - Power Interconnection Agreement
2. SWEPCO - Power Interconnection Agreement

On June 1, 1977, GSU started serving the Town of New Roads, Louisiana, under an Agreement for Wholesale Electric Service to Municipalities which provides for firm power and emergency service. The Town of New Roads had previously rejected in March 1977, a Power Interconnection Agreement which had been offered by GSU. The Power Interconnection Agreement was the same type which had been signed by Lafayette and Plaquemine, Louisiana.

GSU offers to other entities to share in Joint Ownership of River Bend:

By letter dated August 10, 1977, (Attachment 5) GSU asked twenty-one entities in the state of Texas if they would be interested in participating in River Bend Station. No written replies were received. However, SRG&T did enter an Ownership Agreement to own seven (7) percent of River Bend Station Unit 1 and to receive seven (7) percent of the output.

In January, 1979, GSU sent letters to the top officer of the following companies offering them ownership participation in River Bend Station:

1. SWEPCO
2. Kansas Power and Light Company
3. Oklahoma Gas and Electric Company
4. Middle South Utilities, Inc.
5. Central Louisiana Electric Company

Nothing developed from these efforts to date.

Prior to March 1, 1974, the Cities of Lafayette and Plaquemine, Louisiana expressed interest in Co-ownership of River Bend Station and their interest continued with GSU encouragement. Plaquemine finally withdrew their request for ownership because of financial problems within the City. Lafayette has become a member of Louisiana Energy and Power Authority (LEPA) which has been formed by some cities in Louisiana to co-own electric generating plants. Previous to the LEPA group being formed, another group named Electric Power System Authority (EPSA), of which Lafayette was a member, was interested in owning River Bend Station generation. GSU and EPSA had several meetings on River Bend Station ownership. The EPSA group has disbanded. On October 11, 1980, GSU met with representatives of LEPA to furnish them information on River Bend Station and GSU's Nelson Coal Units. It appears LEPA will own a percentage of Cajun's first two coal units and will sign an Interconnection Agreement with GSU, which is in final draft form being sent to LEPA. LEPA has under study their possible co-ownership in River Bend Station.

In late 1978 the City of Lafayette, Louisiana, asked GSU to move about 5,000 KW to Louisiana Power and Light Company (LP&L) for delivery to Clarksdale, Mississippi. GSU agreed since we have Interconnection Agreements with both Lafayette and LP&L. In subsequent discussions we pointed out that although GSU does not have an Interconnection Agreement with Mississippi Power and Light Company (MP&L) we do have a 500 KV electrical tie with them at the Louisiana-Mississippi state line near Phelps, Louisiana. MP&L interconnects with Clarksdale, Mississippi, and other members of MEAM (Municipal Energy Agency of Mississippi). Since we thought it would be in GSU's interest to have an Interconnection Agreement with MP&L, we contacted MP&L and with their agreement mailed them a draft of a Power Interconnection Agreement on November 7, 1978. After more than a year of negotiations we agreed on a Power Interconnection Agreement but MP&L would not sign it with Service Schedules attached. The MEAM cities were putting pressure on MP&L to get the transaction started to move the power from Lafayette, Louisiana to Clarksdale and others. MP&L then filed with FERC an "unexecuted" Interconnection Agreement without Service Schedules. MP&L stated that the purpose of its filing was to attempt to implement the transmission of power which the City of Clarksdale, Mississippi and the Greenwood Utilities Commission of Greenwood, Mississippi propose to purchase through the MEAM from the City of Lafayette, Louisiana. That filing was assigned Docket No. ER80-261. Clarksdale and Greenwood intervened and a settlement judge was appointed. Although GSU was not a party to the proceedings, we were invited and did attend the settlement conference. A settlement agreement dated December 15, 1980, was reached and power is now being moved by GSU from Lafayette to MP&L for delivery to the members of MEAM.

During the course of the negotiations between GSU and MP&L; representatives of MEAM met with GSU to check on the status of the negotiations. During those meetings, MEAM expressed an interest in Co-ownership of River Bend Station and other GSU future units. GSU furnished the necessary information to MEAM. There have been no recent developments expressing their further interest.