

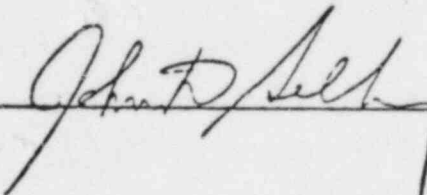
Question:

1 In Mr. Spring's testimony, Page 7, he states that it was assumed that a decision will be made in 1987 to abandon the Midland Plant. Why is Consumers Power waiting until 1987 to finalize the abandonment decision? Please provide any studies that support that decision.

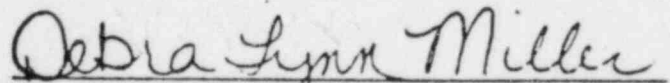
Answer:

Consumers Power Company is not waiting until 1987 to finally determine what it will be doing with the Midland plant now that construction has ceased. The Company is not planning to resume Midland construction or to spend any money for that purpose in 1985, 1986 or anytime in the future. The Company will not unilaterally resume Midland construction in 1985, 1986 or thereafter. Only if appropriate governmental agencies and officials propose resumption of construction by Consumers Power Company as being in the public interest, and the financial community or someone else is willing to commit the funds necessary to enable completion, will the Company consider resuming construction. In order to maximize recovery, the Company intends to carry out two years of surveillance and maintenance activity on the plant and has taken steps to have its NRC construction permits continued. It has also solicited bids on the \$300 million of nuclear fuel which would have been used at Midland in an effort to dispose of the fuel. The surveillance and maintenance activity will cost approximately \$10 million per year plus property taxes. By keeping the plant properly maintained and retaining the construction permits the Company has a more marketable product because it will be able to keep a documented, NRC-approved quality assurance program in place during that period. The Company's plan is to allow two years to see whether some outsider who is interested materializes. In the meantime, the Company will sell any component or system in the plant that does not prevent possible use of the plant as a whole. If there is no one interested in finishing the entire plant, the Company will no later than 1987 do whatever is necessary to claim an abandonment loss for federal income tax purposes. The income tax implications of this decision have been explained by Mr. Schwass and Mr. Spring. See the response to 3A-AG-107 and 3A-AG-138.

John D. Selby, being first duly sworn, states that the above response is true and correct to the best of his knowledge, information or belief.



Sworn to before me and subscribed in my presence this 1st day of November, 1984.



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