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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD



In the Matter of)

HOUSTON LIGHTING AND POWER)
CO., et al. (South Texas)
Project, Units 1 and 2))

Docket Nos. 50-498A
50-499A

TEXAS UTILITIES GENERATING)
COMPANY (Comanche Peak Steam)
Electric Station, Units 1)
and 2)

Docket Nos. 50-445A
50-446A

SECOND SUPPLEMENTAL RESPONSE OF THE DEPARTMENT OF JUSTICE
TO THE SECOND SET OF INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS FROM HOUSTON LIGHTING & POWER
COMPANY TO ANTITRUST DIVISION, U.S. DEPT. OF JUSTICE

Pursuant to 10 C.F.R. § 2.740(e), the Department of Justice ("Department"), based upon its present belief and the information presently in its possession, hereby supplies this response to supplement its initial response of April 3, 1979, to Interrogatory 2 of the "Second Set of Interrogatories and Requests for Production of Documents from Houston Lighting & Power Company to Antitrust Division, U.S. Dept. of Justice," dated February 9, 1979. 1/ The Department

1/ At the June 21, 1978 prehearing conference in the above-captioned matter, the Atomic Safety and Licensing Board ("Board") directed that discovery requests be considered continuing in nature and that answers to interrogatories and/or document production be supplemented when and if additional pertinent information and/or documents came to light after initial responses to a request were completed.

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expressly reserves its right, in accordance with 10 C.F.R. § 2.740(e) to add, alter, amend or modify the information provided herein, at the appropriate time.

Interrogatory 2 states:

2. (a) Identify each expert witness who the Division expects to call in this proceeding.

(b) State the qualifications and credentials of each such expert witness.

(c) Provide a summary of the testimony which each such expert witness is expected to offer.

(d) State the basis for each conclusion or opinion each such expert witness expects to present or draw in his/her testimony.

(e) Identify all documents prepared by, for, or under the supervision of each such expert witness, or reviewed or relied upon in any way by such expert in the performance of his/her duties, formulation of his/her testimony, including particularly work papers, status reports, preliminary outlines and memoranda, and communications between such expert in the Division, any party to the proceeding, or any person with knowledge in any way relied upon by such expert, and provide copies of any such document not already in possession of Houston.

The Department, based upon its present belief and the information presently in its possession, supplies the following supplemental information regarding Dr. Gordon T.C. Taylor:

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2. (a) Dr. Taylor's new business address is:
Dr. Gordon T.C. Taylor, Watergate Office Building,
Suite 304, 2600 Virginia Avenue, N.W., Washington,
D.C. 20037.

(b) No addition to previous response.

(c) No addition to previous response.

(d) The basis for the conclusions or opinions about which Dr. Gordon T.C. Taylor is expected to testify is founded in several areas. First, Dr. Taylor's academic qualifications and credentials as an expert have already been provided to Houston Lighting & Power Company ("HL&P") in the Department's April 3, 1979 response to interrogatory 2(b)(ii) of "Second Set of Interrogatories and Requests for Production of Documents from Houston Lighting & Power Company to Antitrust Division, U.S. Department of Justice." Dr. Taylor's expected testimony is also founded in his extensive professional expertise as an economist. Dr. Taylor has enjoyed a distinguished career as an economist in the academic, governmental, and private sectors. Dr. Taylor has been actively employed as an economist since 1964. His academic background has been amplified by extensive practical experience. Specifically, Dr. Taylor's tenure from July 1974 through May 1979 as a staff economist at the Federal Power Commission and Federal Energy Regulatory Commission, at which he served in several positions, has enhanced his knowledge regarding economic factors relevant to the electric utility industry. While serving in various governmental positions and since his entry into the private sector, Dr. Taylor has served as a consultant and has testified extensively in a wide variety of economic areas relevant to the antitrust considerations the instant matter. Finally, Dr. Taylor has initiated a careful examination of the facts of this case, which will continue as discovery progresses. Dr. Taylor has reviewed some of the pleadings in West Texas Utilities Co., et al. & Texas Electric Service Co., et al., No. CA-3-76-0633-F (N.D. Texas Div.) as well as in this

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case. Dr. Taylor's examination and analysis of the totality of discovery available in this case, however, has only begun. As the deposition program progresses and as continual discovery requests, e.g., interrogatory answers and document production, are forthcoming, the basis for the conclusions and opinions about which Dr. Taylor is expected to testify will be expanded. Thus, the basis for the conclusions and opinions about which Dr. Taylor is expected to testify will be founded on a combination of his professional training and experience (specifically his work at the Federal Power Commission and the Federal Energy Regulatory Commission), and the facts currently being revealed in discovery in this litigation.

(e) On July 25, 1979, HL&P issued a subpoena duces tecum to Dr. Gordon T.C. Taylor requesting documents in his possession. These documents will be provided to HL&P at Dr. Taylor's deposition to be held in Washington, D.C., on October 25-26, 1979. In addition, on October 12, 1979 the Department provided counsel for HL&P with copies of all testimony which Dr. Taylor has prepared or participated in preparing which are in the possession of the Department. The following is a list of this testimony:

1. Florida Power & Light Company
FPC Docket No. E-9574
August 3, 1977
(Corrected)
2. Florida Power & Light Company
FERC Docket No. ER77-155
October 17, 1977
3. Otter Tail Power Company
FERC Docket Nos. E-8152 and ER77-5
December, 1977
(Corrected)

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4. Florida Power & Light Company
FERC Docket No. ER78-19 (Phase I) and ER78-81
February, 1978
(Revised)
5. Montana Power Company
FERC Project No. 5
(Annual Charges for the Use of Indian Lands)
March, 1978
6. Boston Edison Company
FERC Docket No. E-7738
(Remand)
May, 1978
7. Pacific Power and Light Company, et al.
FERC Docket No. E-7796
June, 1978
(Corrected)
8. Cleveland Electric Illuminating Company
FERC Locket No. ER78-194
November 19, 1978
9. Louisiana Power and Light Company
FERC Docket No. ER77-533
January, 1979
10. Florida Power & Light Company
FERC Docket No. ER78-19 (Phase II), et al.
July, 1979
11. Minnesota Gas Company
State of South Dakota before the Public
Utilities Commission
Docket No. F-3302
July 16, 1979
12. Southern California Edison Company
FERC Docket No. ER79-150
September 5, 1979
13. Kentucky Utilities Company
FERC Docket No. ER78-417
Prepared Rebuttal Testimony
September 20, 1979

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To the extent that interrogatory 2(e) seeks additional information, the Department objects on the ground that such a request is beyond the scope and purpose of Rule 26(b)(4).

The foregoing answers to interrogatories are, to the best of the Department's present belief and knowledge based on the information presently in our possession, true and correct.

Respectfully submitted,

Susan B. Cyphert /s/
Susan B. Cyphert

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Attorneys,
Antitrust Division, Energy Section
U.S. Department of Justice
Washington, D.C.

Subscribed and sworn to before me, a notary public, this
19th day of October, 1979.

Antoinette J. McEligott

Dated October 19, 1979

My Commission Expires January 1329 051

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

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| In the Matter of) | |
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| HOUSTON LIGHTING AND POWER) | Docket Nos. 50-498A |
| CO., et al.(South Texas) | 50-499A |
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| TEXAS UTILITIES GENERATING) | Docket Nos. 50-445A |
| COMPANY (Comanche Peak Steam) | 50-446A |
| Electric Station, Units 1) | |
| and 2)) | |
| _____) | |

CERTIFICATE OF SERVICE

I hereby certify that service of the foregoing SECOND SUPPLEMENTAL RESPONSE OF THE DEPARTMENT OF JUSTICE TO THE SECOND SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS FROM HOUSTON LIGHTING & POWER COMPANY TO ANTITRUST DIVISION, U.S. DEPT. OF JUSTICE has been made on the following parties listed hereto this 19th day of October 1979, by depositing copies thereof in the United States mail, first class, postage prepaid.

| | |
|---------------------------------|-----------------------------|
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