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RELATED CORRESPONDENCE

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USNRC

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

'94 SEP -7 P3:36

OFFICE OF SECRETARY  
DOCKETING & SERVICE

In the Matter of )  
Gulf States Utilities Co., et al. )  
(River Bend Station, Unit 1) )

Docket No. 50-458-OLA  
ASLBP No. 93-680

GULF STATES UTILITIES COMPANY'S  
RESPONSES TO INTERROGATORIES DATED AUGUST 22, 1994

The Respondents, Gulf States Utilities Company ("Gulf States") and Entergy Operations, Inc. ("Entergy Operations") respond to the Interrogatories propounded by Cajun Electric Power Cooperative, Inc. ("Cajun") as follows. Pursuant to General Instruction "E", the names of the individuals responsible for providing the responses follow each response.

These Responses are subject to the Objections filed by Gulf States dated September 6, 1994.

1. Please state your position on Cajun's requested condition that requires a tripartite agreement among Gulf State, EOI, and Cajun. Please explain the basis for your response.

**RESPONSE:** A tripartite agreement is not required to assure the public health and safety nor is it required as a result of the Operating Agreement entered into between Gulf States and Entergy Operations. Neither the Operating Agreement nor any of the arrangements arising out of the merger and operation of River Bend by Entergy Operations affects Cajun's or Gulf States' respective rights, obligations, claims or liabilities under the Joint Ownership Participation And Operating Agreement ("JOPOA"). Such a condition is therefore not required to assure the public

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health and safety and not a necessary condition to the River Bend operating license.

H. W. Keiser

2. Please state your position on Cajun's requested condition that requires EOI to be the direct agent of Cajun. Please explain the basis for your response.

**RESPONSE:** Under the terms of the Operating Agreement, Entergy Operations is the agent of Gulf States. The relationship of Cajun to Gulf States pursuant to the JOPOA is not affected by the merger or the Operating Agreement, and Cajun continues to look to Gulf States for any remedies it may have regarding the operation of River Bend pursuant to the JOPOA. This condition to the River Bend operating license is not required to assure the public health or safety.

H. W. Keiser

3. Please state your position on Cajun's requested condition that requires EOI to be directly liable to Cajun. Please explain the basis for your response.

**RESPONSE:** Entergy Operations operates River Bend in an agency capacity. It operates the facility at actual cost and does not receive a fee or make a profit from its operation of the facility. Entergy Operations' ability to operate River Bend pursuant to the Operating Agreement is subject entirely to the payment by Gulf States and Cajun of the Costs of Operation of the facility in accordance with the JOPOA. Cajun's rights regarding the operations of River Bend are governed by the JOPOA and are exactly the same now as they were before the merger. No rights or obligations under the JOPOA have been transferred to or assumed by Entergy Operations. Because Entergy Operations' sole

function is operating River Bend and because it has no ownership interest in River Bend and does not receive any financial benefits for the operation of the facility from either Cajun or Gulf States, there is no reason why it should be directly liable to Cajun for any costs related to the facility. If an issue arises regarding the operation of River Bend by Entergy Operations, Cajun's remedy is with Gulf States pursuant to the JOPOA.

This condition to the River Bend operating license is not required to assure the public health or safety.

H. W. Keiser

4. Please state your position on Cajun's requested condition that allows Cajun to have input into River Bend decisions regarding maintenance, fuel outages, budgets, and capital improvements. Please explain the basis for your response.

**RESPONSE:** Cajun retains the same input into decisions of the type described in the interrogatory that it currently has under the JOPOA. As this proposed condition to the River Bend operating license deals with purely contractual matters between the co-owners of River Bend, it is not necessary to assure the public health or safety.

H. W. Keiser

5. Please state your position on Cajun's requested condition that allows Cajun to have direct access to EOI records and River Bend operational data. Please explain your position.

**RESPONSE:** Neither Gulf States' obligations to Cajun under the JOPOA nor Cajun's rights under the JOPOA were changed by the fact that the facility is operated by Entergy Operations. Accordingly, Cajun's rights to information, including River Bend

operational data and Entergy Operations' records as they relate to the operation of River Bend, have not been affected by the merger or the operation of River Bend by Entergy Operations. These rights of Cajun and the obligation of Entergy Operations are recognized in the Operating Agreement between Gulf States and Entergy Operations. Entergy Operations does not know of any information relating to Entergy Operations' records or River Bend operational data that Cajun has expressed a desire to have that has not been made available to Cajun after the merger. This condition to the River Bend operating license is not required to assure the public health or safety.

H. W. Keiser

6. Please state your position on Cajun's requested condition that requires EOI to submit River Bend cost management and regulatory reports to Cajun. Please explain your position.

**RESPONSE:** Neither Gulf States' obligations to Cajun under the JOPOA nor Cajun's rights under the JOPOA were changed by the fact that the facility is operated by Entergy Operations. Accordingly, Cajun's rights to information, including cost management and regulatory reports as they relate to the operation of River Bend, have not been affected by the merger or the operation of River Bend by Entergy Operations. These rights of Cajun and the obligation of Entergy Operations are recognized in the Operating Agreement between Gulf States and Entergy Operations. Entergy Operations does not know of any information relating to River Bend cost management or regulatory reports that Cajun desires to have that has not been provided to Cajun. This

condition to the River Bend operating license is not required to assure the public health or safety.

H. W. Keiser

7. Please state your position on Cajun's requested condition allows [sic] Cajun to attend Institute for Nuclear Power Operation (INPO) meetings and have access to INPO documents. Please explain your position.

**RESPONSE:** Cajun continues to have access to INPO documents and, consistent with INPO policies, to be able to attend INPO meetings, just as it did before the merger. This condition to the River Bend operating license is not required to assure the public health or safety.

H. W. Keiser

8. Please state how River Bend operations would be funded, by GSU or otherwise, in the event of a determination adverse to GSU in the River Bend Litigation or the bankruptcy of GSU.

**RESPONSE:** The availability of funds may or may not be affected by a determination adverse to Gulf States in the River Bend Litigation or by the bankruptcy of Gulf States.

G. E. Harder

9. Please describe and explain the impact on GSU's, Entergy's and EOI's financial condition in the event of a determination adverse to GSU in the River Bend Litigation or the bankruptcy of GSU.

**RESPONSE:** Any such determination could result in substantial write-offs by Gulf States which would cause common shareholder equity to decline. Such a ruling could also cause Entergy Corporation to change its acquisition adjustment in its consolidated financial statements, in accordance with the purchase method of accounting for business combinations (if the

adjustment occurred within 12 months of the merger). Entergy Operations' financial condition should not be impacted.

G. E. Harder

10. Please describe and explain the actions you would take with regard to River Bend operation in the event of a determination adverse to Gulf States in the River Bend Litigation or the bankruptcy of Gulf States.

**RESPONSE:** Gulf States would continue operation of River Bend, so long as it was economically feasible and it had sufficient funds to safely do so, while pursuing any further legal remedies. Entergy Operations, as the licensed operator of the unit, is responsible for safely operating the unit at all times. Entergy Operations would continue to carry out this responsibility in the event of a determination adverse to Gulf States in the River Bend Litigation or the bankruptcy of Gulf States.

G. E. Harder

11. Please state whether you would shut down River Bend in the event of a determination adverse to GSU in the River Bend Litigation or the bankruptcy of GSU and describe and explain all actions which would be undertaken with regard to such shutdown.

**RESPONSE:** As long as funds were available to continue the safe operation of River Bend, and Gulf States anticipates they would be, a determination adverse to Gulf States in the River Bend Litigation or the bankruptcy of Gulf States should not result in the shutdown of River Bend. If a decision were made not to continue the operation of River Bend, it would be safely shut down and maintained in a safe condition.

H. W. Keiser

12. Please describe and explain the specific actions you would take with regard to the operation and maintenance of River

Bend in the event of a determination adverse to GSU in the River Bend Litigation or the bankruptcy of GSU.

**RESPONSE:** It depends on all the circumstances, but Gulf States anticipates that no specific actions would be taken other than the usual and normal operation and maintenance of the plant.

H. W. Keiser

13. Please describe and explain how GSU would shut down River Bend in a non-emergency situation, including the shutdown scenario regarding which Edwin A. Lupberger and Donald C. Hintz testified at the Federal Energy Regulatory Commission GSU/Entergy merger proceedings.

**RESPONSE:** There is no specific "shutdown scenario" referred to by Lupberger or Hintz in the FERC transcript pages to which the interrogatory alludes. Nevertheless, in a non-emergency situation, River Bend would be safely shut down and maintained in a safe shut down condition in accordance with the plant's operating procedures and technical specifications.

H. W. Keiser

14. Please describe and explain EOI's ability to borrow money or obtain funding, external to Entergy Corporation and its subsidiaries, to allow EOI to operate and maintain River Bend.

**RESPONSE:** Entergy Operations does not have the authority to borrow money or obtain funding external to Entergy Corporation and its subsidiaries.

G. E. Harder

15. Please state and explain all possible ownership arrangements considered by Entergy, GSU and EOI, for River Bend following the merger.

**RESPONSE:** None, other than the arrangement currently in place.

H. W. Keiser

16. Please state and explain whether GSU has adequate resources, without payments by GSU, to complete decommissioning of River Bend, and describe and explain such resources.

**RESPONSE:** It is uncertain what this interrogatory refers to when it describes a decommissioning by Gulf States "without payments by GSU." Gulf States continues to have the same resources it had prior to the merger to complete decommissioning of River Bend. In addition, as required by 10 CFR § 50.75, Gulf States collects funds from customers for decommissioning and deposits them in an external trust.

G. E. Harder

17. Please state, describe and explain what would be the effect on River Bend operation and the funding of such operation in the event of the bankruptcy of Cajun with Cajun ceasing to make payments to GSU under the Cajun/GSU Joint Ownership Participation and Operating Agreement.

**RESPONSE:** If Cajun's financial condition deteriorates to the extent it is unable or unwilling to pay its share of River Bend costs, Gulf States would have to evaluate its possibilities under the circumstances. If Gulf States continues to operate River Bend, Gulf States would pursue appropriate legal remedies for any additional costs of operations borne by Gulf States. Entergy Operations would continue to have the responsibility for safely operating River Bend.

G. E. Harder



STATE OF MISSISSIPPI  
COUNTY OF Linds

The preceding interrogatory responses were prepared under my direction and the matters and facts contained herein are true and correct to the best of my knowledge.

DATED this the 2nd day of September, 1994.

H Keiser

HAROLD W. KEISER, Executive Vice  
President and Chief Operating  
Officer of Entergy Operations, Inc.

Sworn to and subscribed before me, the undersigned authority in and for the said county and state. Witness my signature and official seal of office on this the 2nd day of September, 1994.

Linda W. Miller

NOTARY PUBLIC

My Commission Expires:

August 5, 1995