



UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

CONSUMERS POWER COMPANY
(Midland Units 1 & 2)

1/19/79

Docket Nos. 50-329A
and 50-330A

SUPPLEMENTAL MEMORANDUM TO THE BOARD FROM CONSUMERS POWER
AND INTERVENORS REGARDING SETTLEMENT NEGOTIATIONS

On December 6, 1978, the undersigned submitted a memorandum to the Board which outlined the status of settlement negotiations and attached a negotiation schedule. In that memorandum, we also noted that the parties would seek to secure approval of the settlement from their respective governing bodies no later than February 14, 1979.

There have been no significant deviations from the negotiation schedule attached to the memorandum of December 6, 1978. Settlement meetings were held on December 7-8, December 11-14, December 14-15, January 2-3, January 8-9, January 10 (Bay City only), and January 15-16. This is apart from numerous client meetings and informal contacts. In these negotiations, progress has been made and the prospects for settlement remain excellent. However, the negotiators have yet to reach agreement.

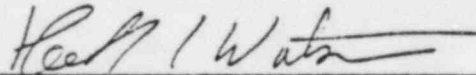
The absence of agreement to date is a factor of the length and complexity of the matters under negotiation. As described more fully in the December 6 memorandum, the negotiations concern contractual forms providing for generation unit participation and related transmission arrangements. The most recent drafts of these forms totaled near 300 pages of text, exclusive of appendices.

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Revised drafts of these forms will be circulated shortly and additional meetings are scheduled on January 29-30 and February 12-13 with the cooperative parties, and February 14 - 16, with the municipal parties. Meetings after February 16 could prove necessary.

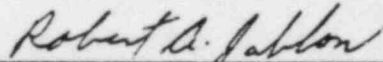
Given this negotiation schedule, we now believe that approval of the settlement by the governing bodies of the parties to these negotiations can not be expected prior to April 1, 1979. At any time prior to that date, if the prospects for settlement diminish, or if the negotiation schedule is significantly delayed, the undersigned will promptly so advise the Board.

Respectfully submitted,



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Attorneys for Consumer Power Company



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Northern Michigan Electric
Cooperative, Inc., Wolverine
Electric Cooperative, and the
Michigan Municipal Electric
Association

Dated: January 19, 1979

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(Midland Units 1 & 2)

CERTIFICATE OF SERVICE

I hereby certify that copies of SUPPLEMENTAL MEMORANDUM to the Board from Consumers Power and Intervenor Regarding Settlement Negotiations, dated December 6, 1978, in the captioned matter, have been served upon the following by deposit in the United States mail, first class, this 19th day of January, 1979.

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Frederic D. Chanania, Esquire
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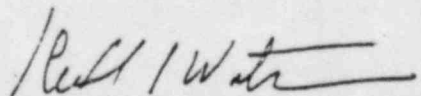
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