



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

NRG PDR

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October 31, 1978

Mr. D. L. Aswell  
Manager Power Production  
Louisiana Power & Light Co.  
142 Delaronde St.  
New Orleans, LA 70174

Dear Mr. Aswell:

WATERFORD SES, UNIT NO. 3

By September 26, 1978 transmittal, you furnished information for the Operating License antitrust review of the captioned nuclear unit. In our review of this information, some additional questions have surfaced. Any further information that you could furnish to help clarify the following questions would be appreciated.

1. Has the City of Plaquemine requested any services from LP&L other than under its Emergency Assistance Agreement (FERC 44)? If so, please describe the services requested, LP&L's response, and the reasons for such a response. Has the City of Plaquemine taken any position with respect to the reserve requirement provision (article XI) of the Emergency Assistance Agreement? If so, please describe Plaquemine's position and LP&L's position.
2. Has Cajun Electric Power Cooperative, Inc. requested any services from LP&L other than under its Wholesale Service Schedule REA-8A? If so, please describe the services requested, LP&L's response, and the reason for such a response. Has Cajun contested any of the provisions or requirements of REA-8A? If so, please describe Cajun's position and LP&L's position.
3. Has the City of Minden or the Town of Vidalia requested any services from LP&L other than under Electric Services Agreements (FERC 52 and FERC 53). If so, please describe the electric services requested, LP&L's response, and the reasons for such response. Has the City or Town contested any provisions of the Service Agreements? If so, please describe the positions of the City or Town and LP&L, respectively.

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4. In the information you have furnished, you have listed the Towns of Rayville, Jonesboro, Homer and Lake Providence as new wholesale customers of LP&L. What were the power supply sources for these towns just prior to when LP&L began to furnish wholesale service? Was there any organized opposition to LP&L furnishing such wholesale service? If so, please describe. Are there presently any other suppliers of wholesale service to these towns? If so, please indicate the approximate proportions of the various suppliers.

5. Has LP&L declined to furnish wholesale service to any Entity that requested such service? If so, please describe the circumstances and LP&L's position.

6. Has LP&L declined to furnish a different kind of service than it is now furnishing to any Entity that requested such service? If so, please describe the service requested and the reasons for refusing.

7. You have indicated that LP&L is presently operating the electric systems of the towns of Homer and Lake Providence and the City of Thibodaux with an option of ultimate acquisition. Was there any organized opposition to LP&L operating the systems or to the option of ultimate acquisitions? If so, please describe. Please describe the acquisition option. Who, other than LP&L, will have a say regarding the acquisitions?

8. You have indicated that LP&L is presently operating the electric system of the City of Monroe under an Emergency Interim Agreement. Please describe the nature of the emergency and the reason why Monroe was not able to operate its own system. Why did Monroe choose LP&L to operate its system? If in writing, please furnish a copy of the interim agreement. If not in writing, please describe. Was there any organized opposition to the interim agreement? If so, please discuss. What is the duration of the interim agreement? Will Monroe resume operation of its system after termination of the interim agreement? If not, what alternatives are being considered?

9. The following questions pertain to the Middle South Utilities (MSU) System Agreement (FERC #48), and in particular, to paragraph 30.03, of Service Schedule MSS-3, on allocation of energy.



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(a) In determining a Company's load, are the transmission losses within its control area considered to make up part of that load?

(b) If a Participation Unit is in Company A's control area, is Company A compensated for the extra transmission losses occurring within its control area as caused by power deliveries to the other companies? If so, how is it compensated and how is the proper amount of compensation determined? (Please illustrate the procedure by assuming a single Participation Unit supplying the power requirements of all the MSU operating subsidiaries.)

10. The following questions pertain to LP&L's interconnection agreement with the City of Rustin (FERC 54) and similar interconnection agreements with the Town of Rayville, Town of Jonesboro, and City of Monroe.

(a) The October 1, 1975 transmittal letter to FPC from W. C. Montgomery refers to an Exhibit 1 attachment which shows the components of the four mills per kwh markup for energy furnished under schedules A, B and C. If available, would you please furnish us with a copy of this Exhibit 1 for our records?

(b) Our review of Exhibit 1, in FERC's Public Document Room, indicates that the four mill adder per kwh is associated with the fixed charges on production and transmission facilities. At the same time, Schedules B and C have demand charges which are presumably also based on fixed charges on production facilities. Please clarify for us this apparent double charge. Did the FPC Staff or Intervenor in FPC Docket ER 76-162 contest in any way the four mills per kwh adder, particularly for Schedules B and C? If so, please discuss the nature of the objections and the resolution of such.

(c) Some of the documentation associated with Docket ER 76-162 alludes to FPC Staff concerns with respect to the interconnection agreement. In particular, pages 4 and 5 of the conference transcript is referred to. Please describe the nature of the FPC Staff problems, the names of the FPC Staff involved, and the resolution of these problems.

(d) Please furnish the total kwh sales to each City or town and the range of monthly energy charges (demand charges excluded or

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separated) in mills per kwh under each Service Schedule A, B, C and D, respectively, for the period of time from when the agreements were put into effect until the most recent time that the information is available. Please furnish the same information for purchases (if any) from the cities or towns.

(e) Is the Lafayette to Jonesboro transmission service under Schedule F or F-I? How long has LP&L been providing such transmission service to Jonesboro? Is Jonesboro internal or external to LP&L's control area? Have the participants experienced any difficulty in maintaining the reactive power flow requirements of the transmission schedule? If so, please describe in what way and the method of resolution of the problem. Have the Participants experienced any difficulties in controlling the scheduled interchange such that (1) the supply was deficient by more than the 1.5% allowed for inadvertent interchange or (2) the supply was in excess of the schedule and thereby ignored for billing purposes? If so, describe each instance and the approximate kwh involved.

(f) Has the following statement, found in the transmission schedules, ever been contested by any Entity or in any forum?

"It is recognized that the input and withdrawal of power and energy is under the control of the participating Entities, ....."

If so, please discuss and furnish any documentation.

(g) Has LP&L declined to supply transmission services requested by any Entity under Schedules F or F-I or otherwise? If so, please describe the reasons given in each instance.

(h) Have there been any requests by the cities or towns to purchase power under Schedules A, B, C or D in which LP&L declined to furnish the service? If so, please describe the reasons given in each case.

(i) Have there been any other requests by any Entity for an inter-connection agreement similar to FERC 54? If so, what was LP&L's position with respect to entering into such an agreement and the reasons for its position in each case.



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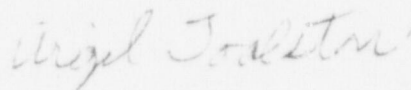
(j) Have there been any requests by any Entity for transmission services of less than five months duration? If so, please describe LP&L's response in each case. If LP&L's response was negative in any instance, please describe the reasons given.

(k) Please describe any actions that LP&L must take with respect to its interchange schedule setters when providing transmission services under Schedules F or F-I. Are transmission Schedules F or F-I ever applicable to Entities within LP&L's control area, (1) if the power exchanging entities are all within the control area or (2) if only the power receiving (or supplying) entities are within the control area? If the power receiving and power supplying entities are all external to LP&L's control area, how does LP&L adjust its interchange schedule setters to receive the 3% transmission losses, and how does LP&L determine that the power supplying entities are indeed furnishing 3% more energy than the receiving entities are taking? Are transmission Schedules F and F-I applicable to Entities that are interconnected with both LP&L and another entity to which LP&L is interconnected? If so, how does LP&L determine the portion of the interchange which is passing through its transmission system and the portion that is passing through other transmission systems?

11. The information already furnished to us by LP&L in response to Regulatory Guide 9.3 states on page B-4 that "In addition to the interconnection agreements with the municipal operating entities, a similar agreement has been signed with Cajun Electric Power Cooperative, Inc." Which agreement is it similar to? In what ways is it different? When will the agreement be filed with FERC? Is Cajun contesting any of the provisions of the agreement? If so, please discuss them, including LP&L's and Cajun's respective positions.

We would appreciate receiving your response to the above questions within 30 days. Please contact me by letter or by phone, 301-492-8339, if any of the questions are not clear.

Sincerely,



Argil Toalston, Chief  
Power Supply Analysis Section  
Antitrust & Indemnity Group  
Nuclear Reactor Regulation