

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of
CONSUMERS POWER COMPANY
(Midland Units 1 & 2)

12/6/78

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

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

As the Board is aware, representatives of Consumers Power Company ("Consumers Power") have been seeking to resolve, through settlement negotiations, the issues contested by them in the above-captioned proceeding. The settlement envisioned by the parties would not only relate to antitrust conditions appropriate for the Midland licenses but would resolve all antitrust issues between the parties and thus obviate the need for any appellate proceedings in this case.

The Intervenors and Consumers Power are pleased to report that substantial progress has been made since the last status conference and that the prospects for settlement now appear excellent. This progress has been the result of many settlement meetings involving, in various combinations, counsel, engineering consultants and the principals themselves. These meetings transpired on the following dates: September 19 (Detroit, Mich); September 28-29 (Jackson, Mich);

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October 6 (Jackson, Mich); October 9 (Washington, D.C.); October 19-20 (Jackson, Mich); October 23-24 (Grand Rapids, Mich); November 6 (Jackson, Mich); November 13-14 (Jackson, Mich); November 21 (Grand Rapids, Mich); and November 29 (Lansing, Mich).

Specifically, an understanding has been reached by the negotiating representatives of the parties with respect to all but two areas which have been the subject of these discussions.^{1/} As for the two subject areas, substantial agreement has been reached and the parties are now reducing the agreed principles to contractual forms of some complexity. The subject areas of these contracts are participation arrangements by the intervenors in the Midland and Campbell units and related transmission investment arrangements. Once these contract forms have been negotiated, they will be incorporated into a settlement agreement which is subject to approval by each of the parties represented in the negotiations.

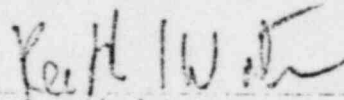
In order to assure an expeditious and successful conclusion to these settlement discussions, negotiators for Consumers Power and the Intervenors have agreed to use their best

1/ The negotiator representing one municipal system has given his concurrence to this understanding upon expectation that additional bulk power supply issues applicable to that system can be resolved.

efforts to secure approval of the settlement by their respective governing bodies no later than February 14, 1979. In addition, the parties have agreed upon a negotiation schedule so that February 14 date can be met. A copy of this schedule is attached.

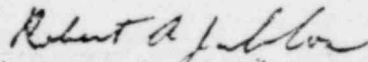
In these circumstances, we respectfully request the board to consider whether additional status conferences should be scheduled prior to February 14. In our view, they are not necessary. Of course, at any time prior to February 14, if the prospects for settlement diminish or if the negotiation schedule is significantly delayed, the undersigned would promptly so advise the Board.

Respectfully submitted,



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Dated: December 6, 1978

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
) Docket Nos. 50-329A
CONSUMERS POWER COMPANY) 50-330A
(Midland Plant, Units 1 and 2))

CERTIFICATE OF SERVICE

I hereby certify that copies of the Memorandum to the Board from Consumers Power and Intervenors 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 6th day of December, 1978.

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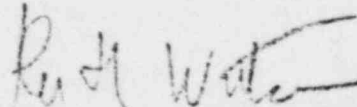
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