



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

February 26, 2001

Charles Bechhoefer, Presiding Officer
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

In the Matter of
POWER AUTHORITY OF THE STATE OF NEW YORK, ET AL.
(James A. FitzPatrick Nuclear Power Plant and
Indian Point Nuclear Generating Unit No. 3)
Docket Nos. 50-333-LT and 50-286-LT

Dear Judge Bechhoefer:

This letter is in regard to your Memorandum and Order (NRC Staff Participation) (Feb. 8, 2001) and Memorandum and Order (CAN's Revised Contention on Financial Qualifications) (Feb. 5, 2001). In your February 8 Order, you requested the NRC Staff's views on the NRC's authority to control decommissioning expenditures of the Power Authority of the State of New York subsequent to the license transfers that are the subject of this proceeding. In your February 5 Order, you invited the Staff's views on NRC requirements with respect to the submission by applicants of cost and revenue estimates for the purpose of demonstrating financial qualifications.

The Staff is filing this same date a brief in response to your February 8 Order's request. Staff counsel will be prepared at the oral hearing to answer questions concerning the Staff's views presented in this brief.

With respect to your February 5 Order's invitation to the Staff to submit its views on certain financial qualifications regulatory requirements, which you have designated as Issue 3, the Staff has determined that the Staff's safety evaluations supporting the subject license transfers essentially provide the Staff's views. Therefore, the Staff has not elected to file any written testimony at this time. The Staff witnesses who will be present at the oral hearing will be prepared to answer specific questions concerning the safety evaluations as well as the financial qualifications regulation as it applies to newly-formed entities.

Sincerely,

Steven R. Horn
Counsel for NRC Staff

cc: Service List