



United States Department of Justice

WASHINGTON, D.C. 20530

DEPUTY ASSISTANT ATTORNEY GENERAL  
ANTITRUST DIVISION

NOV 21 1979

Mr. Harold Denton  
Director, Office of Nuclear Reactor  
Regulation  
Nuclear Regulatory Commission  
Washington, D.C. 20555

Re: Mississippi Power & Light Company, Grand  
Gulf Nuclear Station Units 1 and 2, NRC  
Docket Nos. 50-416A, 50-417A

Dear Mr. Denton:

By letter dated May 29, 1979, the Municipal Energy Agency of Mississippi ("MEAM") requested that the Nuclear Regulatory Commission ("NRC") commence proceedings pursuant to 10 C.F.R. § 2.202 to require the Mississippi Power & Light Company ("MP&L") to comply with the license conditions attached to the construction permits for the Grand Gulf Nuclear Station Units 1 and 2. The Department of Justice ("Department") hereby advises the NRC that it supports MEAM's request.

On May 24, 1973, Thomas A. Kauper, then Assistant Attorney General for the Antitrust Division, advised the Atomic Energy Commission by letter that on the basis of certain explicit representations made by MP&L to the Department, which were attached to Mr. Kauper's letter, and on the understanding that those representations would be embodied in the terms and conditions of the construction permits for the Grand Gulf Nuclear Units, the Department had concluded that an antitrust hearing would not be necessary with respect to the Grand Gulf Nuclear Units applications. In September, 1974, the NRC issued construction permits for the Grand Gulf Nuclear Units. The terms and conditions which the NRC attached to those permits incorporated MP&L's representations to the Department.

In its May 29, 1979, letter MEAM alleges that MP&L has violated several license conditions which require, respectively, that MP&L interconnect with and coordinate reserves with other entities in the area (condition 2); offer access

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to the Grand Gulf Nuclear Units to any entities in the western Mississippi area (condition 4); wheel power to or from entities in the western Mississippi area (condition 5); and, sell power for resale to any entity in the western Mississippi area now engaging in or proposing to engage in retail distribution of electric power. These license conditions reflect representations made by MP&L to the Department which were attached to Mr. Kauper's letter. After reviewing MEAM's May 29, 1979, letter, and the attachments thereto, including letters to the Department by counsel for MP&L, the Department believes that MEAM's allegations raise genuine issues of fact as to whether MP&L has violated the above described license conditions, which should be resolved through an adjudicative hearing.

Accordingly, the Department of Justice supports MEAM's request that the NRC commence proceedings pursuant to 10 C.F.R. § 2.202 to require MP&L to comply with the license conditions 2, 4 and 5.

Sincerely,

Donald L. Flexner  
Deputy Assistant Attorney General  
Antitrust Division

cc: Richard Merriman, Esquire  
Troy B. Conner, Jr., Esquire  
Robert McDiarmid, Esquire  
Fredric Chanania, Esquire

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