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The Honorable Samuel J. Chilk The Secretary of the Commission Office of the Secretary U.S. Nuclear Regulatory Commission Washington, D.C. 20555

Re: Corrected Page for LIPA Response

Dear Mr. Chilk:

I have enclosed the original and two copies of a corrected page 22 of LIPA's Response to (1) Joint Petition for Reconsideration of CLI-90-08 and (2) Comments by DOE and CEQ, filed November 13, 1990.

I appreciate your attention to this matter.

Sincerely,

Carl R. Schenker, Jr. of O'Melveny & Myers

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Enclosure

9011280158 901 PDR ADOCK 050 ADOCK 05000322 Further, even if operation of Shoreham were considered the no-action alternative to some proposed federal action, there still would be no occasion for considering operation of Shoreham. Whether characterized as action or the no-action alternative, operation of Shoreham would be excluded from NEPA consideration under the "rule of reason." DOE contends otherwise, claiming that "analysis of the 'no-action' alternative is always appropriate, even if an agency is under a judicial or legislative command to act." (DOE Comments at 15-16.) But this is incorrect. Like other alternatives, the no-action alternative need not be discussed in an EIS when it lies outside the range of alternatives established by the rule of reason. Kilroy v. Ruckelshaus, 738 F.2d at 1453.

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2. In another new argument, DOE contends that in applying the rule of reason, a federal agency may only consider hurdles to an alternative rooted in federal law. Thus, according to DOE, the NRC must pay no attention to the state-law obstacles noted in CLI-90-08. (DOE Comments at 18-19.) For this proposition, DOE cites <u>NRDC v. Morton</u>, 458 F.2d 827 (D.C. Cir. 1972). DOE is flatly wrong.

<u>NRDC v. Morton</u> did not hold that only federal policies or statutes could rule out an alternative under the rule of reason. To the contrary, <u>Morton</u> criticized the trial court's indication that the agency must study

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CERTIFICATE OF SERVICE '90 NOV 15 P2:31

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I hereby certify that copies of the foregoing "" substitute rage 22 of the Response of the Long Island Power Authority to (1) Joint Petition for Reconsideration of CLI-90-08 and (2) Comments by DOE and CEQ, have been served upon the following perons by U.S. mail first class.

Commissioner Kenneth M. Carr Chairman Nuclear Regulatory Commission One White Flint North Building Rockville Pike Rockville, Maryland 20852

Commissioner Kenneth C. Rogers Nuclear Regulatory Commission One White Flint North Building 11555 Rockville Pike Rockville, Maryland 20852

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Commissioner Forrest J. Remick Nuclear Regulatory Commission One White Flint North Building 11555 Rockville Pike Rockville, Maryland 20852

Michael R. Deland, Chairman Council on Environmental Quality Executive Office of the President 722 Jackson Place, N.W. Washington D.C. 20503

Honorable James D. Watkins Secretary of Energy Forrestal Building 1000 Independence Avenue, S.W. Washington, D.C. 20585 The Honorable Samuel J. Chilk The Secretary of the Commission Nuclear Regulatory Commission One White Flint North Building 11555 Rockville Pike Rockville, Maryland 20852

Administrative Judge Morton B. Margulies, Chairman Administrative Judge U.S. Nuclear Regulatory Commission Washington, D.C. 20555

Administrative Judge Jerry R. Kline Atomic Safety and Licensing Board U.S. Nuclear Regulatory Commission Washington, D.C. 20555

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DATED: November 14, 1990