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NEWMAN & HOLTZINGER, P. C.

1025 CONNECTICUT AVENUE, N.W.

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USNRC

WASHINGTON, D. C. 20036

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JACK R. NEWMAN
JOHN E. HOLTZINGER, JR.
HAROLD F. REIS
MAURICE AXELRAD
J. A. BOUKNIGHT, JR.
PAUL H. KECK
GEORGE L. EDGAR
KATHLEEN H. SHEA
DAVID G. POWELL
DOUGLAS G. GREEN
KAROL LYN NEWMAN
JOHN T. STOUGH, JR.
JAMES B. VASILE
MICHAEL A. BAUSER
ALVIN H. GUTTERMAN
THOMAS A. SCHMUTZ

ROBERT LOWENSTEIN
OF COUNSEL

WILLIAM E. BAER, JR.+
E. GREGORY BARNES
DOUGLAS L. BERESFORD
JANET E. BECKER
STEVEN P. FRANTZ
BRIAN R. GISH
STEVEN C. GOLDBERG
JILL E. GRANT
FREDERIC S. GRAY
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KEVIN J. LIPSON
DAVID B. RASKIN
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DONALD J. SILVERMAN
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JOSEPH E. STUBBS
ROBERT I. WHITE

+ ADM. VA.

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July 5, 1984

Dr. Richard C. DeYoung
Director
Office of Inspection and
Enforcement
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

DOCKET NUMBER 50-348 A
PROD. & UTIL. PAC. 58-364 A

Dear Dr. DeYoung:

We are informed that you have received a letter, dated June 29, 1984, from Alabama Electric Cooperative, Inc. ("AEC") requesting enforcement action against Alabama Power Company ("APCO") for what is alleged to be a "willful and continuing violation of Antitrust License Condition No. 2" contained in the operating licenses for the Joseph M. Farley Nuclear Plant, Units 1 and 2.

These allegations are unfounded. There is indeed a disagreement between APCO and AEC concerning the interpretation of the referenced license condition. However, APCO's position on interpretation of the license condition has been reached, and its negotiations with AEC have been conducted, in good faith. In an effort to resolve the differences in interpretation of the license condition, APCO has submitted to the Commission, on July 3, 1984, the enclosed Petition for a Declaratory Order. We believe that declaratory proceedings would lead to the most efficient, expeditious and definitive resolution of APCO's and AEC's differences over interpretation of the license condition, a result that APCO, at least, desires. In our Petition (footnote 5) we note that issuance of a declaratory order would not preclude you, or any other official to whom authority is delegated by the Commission, from instituting enforcement proceedings thereafter if punitive action against APCO appears to be warranted. That decision would be made, however, with the benefit of the interpretation provided by the Commission's declaratory order.

Accordingly, APCO respectfully requests that consideration of AEC's request for enforcement action be held in

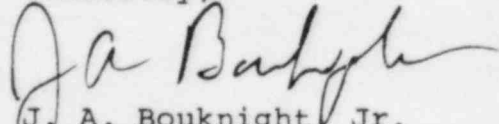
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abeyance until the Commission has acted on APCO's Petition for a Declaratory Order. At such time as consideration of action on AEC's request begins, APCO asks that it be informed and afforded an opportunity to reply fully to the allegations contained in AEC's letter.

Sincerely,



J. A. Bouknight Jr.
Attorney for Alabama Power
Company

cc: Chairman Palladino
Commissioner Roberts
Commissioner Bernthal
Commissioner Asselstine
Dr. Harold Denton, Director of Nuclear Reactor Regulation
Mr. William J. Dircks, Executive Director for Operations
Guy H. Cunningham, Esq.
Joseph Rutberg, Esq.
Herzel H. E. Plaine, Esq.
Secretary, Docketing & Service
Bennett Boskey, Esq.
D. Baird MacGuineas, Esq.