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UNITED STATES OF AMERICA
BEFORE THE
NUCLEAR REGULATORY COMMISSION

'96 JAN 26 P2:47

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

In the Matter of)
)
GULF STATES UTILITIES) Docket No. 50-458-0LA
COMPANY, et al.)
)
River Bend Station, Unit 1)

WITHDRAWAL OF CONTENTION AND
MOTION FOR TERMINATION OF HEARING OF
RALPH R. MABEY, CHAPTER 11 TRUSTEE FOR
CAJUN ELECTRIC POWER COOPERATIVE, INC.

Ralph R. Mabey, Chapter 11 Trustee for Cajun Electric Power Cooperative, Inc. ("Trustee"), in accordance with 10 C.F.R. § 2.730 (1995) of the Nuclear Regulatory Commission's ("NRC" or "Commission") regulations, hereby files this Withdrawal of Contention and Motion for Termination of Hearing in the above-captioned proceeding, and states as follows:

I. BACKGROUND

Cajun Electric Power Cooperative, Inc. ("Cajun"), owns a 30 percent undivided interest in River Bend Station, with a current total investment in River Bend of approximately \$1.6 billion. Cajun is a co-licensee with GSU in the River Bend Operating License NPF-47.

This proceeding involves two license amendment applications submitted on January 13, 1993, as supplemented on October 18, 1993, by Gulf States Utilities Company ("GSU"). The first application would authorize GSU to become a wholly-owned

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subsidiary of the Entergy Corporation ("Entergy") ("Ownership Application"). The second application would permit Entergy Operations, Inc. ("EOI"), another wholly-owned subsidiary of Entergy, to be included on the license as the operator of River Bend ("Operations Application"). See 58 Fed. Reg. 36,343, 36,435-36 (1993).^{1/}

On March 25, 1993, the Commission issued a notice of filing of the applications of GSU. On April 26, 1993, Cajun filed Comments, Petition for Leave to Intervene, and Request for Hearing and Conditions, on Application for Approval of Transfer of Ownership ("April 26 Petition").

On July 7, 1993, the NRC issued its "Notice of Consideration of Issuance of Amendments to Facility Operating License, Proposed No Significant Hazards Consideration Determination and Opportunity for Hearing" related to the Ownership and Operation Applications. 58 Fed. Reg. 36,423, 36,435, 36,436 (1993). On August 6, 1993, as amended and supplemented on August 17, 1993, and August 31, 1993, Cajun filed its "Comments, Petition for Leave to Intervene, and Request for Hearing and Conditions" in response to the Commission's Notice of

^{1/} The two license applications were originally approved by the Commission as Amendment Nos. 69 and 70 to Operating License NPF-47. The Commission's approval was reversed and vacated by the Court of Appeals on April 14, 1995 in Cajun Electric Power Cooperative, Inc. v. NRC, D.C. Circuit No. 94-1113, et al. On the day the Court's mandate issued, June 8, 1995, the Commission reapproved the license applications as Amendment Nos. 78 and 79. The June 8, 1995 approvals are currently at issue in Ralph R. Mabey, Chapter 11 Trustee for Cajun Electric Power Cooperative, Inc. v. NRC.

filing of the Operations Application (collectively, "Cajun's Petition to Intervene").

On August 19, 1993, the Licensing Board was established to rule on petitions for leave to intervene and requests for hearing related to the Commission's Notices of July 7, 1993.

Cajun also supplemented its Petition to Intervene by including a List of its Contentions. Cajun raised seven contentions:

1. The proposed License Amendments fail to reflect the public interest and interests of co-owners, wholesale customers and customers that may be affected by the outcome of the Cajun and Texas litigation.
2. The proposed License Amendments may result in a significant reduction in the margin of safety at River Bend.
3. The proposed License Amendments cannot be approved without Cajun's consent.
4. The proposed License Amendments will adversely affect Cajun's rights regarding the operation of River Bend.
5. The proposed License Amendments cannot be approved without certain license conditions.
6. The proposed ownership amendment should be approved only with conditions adequate to remedy its adverse impacts on the Cajun/Gulf States Interconnection Agreement.
7. The River Bend license conditions must be enforced.

Gulf States Utilities Co. (River Bend Station, Unit 1), LBP-94-3, 39 NRC 31 (1994).

On January 27, 1994, the Licensing Board granted Cajun's motion to intervene and request for a hearing in the above matters. Id. Specifically, the Board granted hearing on

Cajun's Contention 2, that the proposed license amendments may result in a significant reduction in the margin of safety at River Bend. Id. at 41. The Commission affirmed. Gulf States Utilities Co. (River Bend Station, Unit 1), CLI-94-10, 40 NRC 43 (1994).

On January 9, 1995, GSU filed a Motion for Summary Disposition alleging no outstanding factual issues remained. On June 9, 1995, the Board issued its order denying GSU's motion.

Meanwhile, Cajun had petitioned for protection under Chapter 11 of the Bankruptcy Code on December 21, 1994. On August 1, 1995, the U.S. District Court for the Middle District of Louisiana (the "District Court") ordered the appointment of a Chapter 11 Trustee for Cajun.^{2/} On August 23, 1995, the District Court approved the appointment of Ralph R. Mabey as the Chapter 11 Trustee. On August 30, 1995, Ralph R. Mabey qualified to serve as the Chapter 11 trustee for Cajun and, by operation of bankruptcy law, automatically was substituted for the debtor in possession as the party to all pending litigation, including this one.

On October 10, 1995, the Trustee and GSU filed a Joint Motion to Extend the Hearing Date and Scheduling Order, in part, "to allow the trustee an appropriate amount of time to familiarize himself with the issues involved in the case before

2/ The District Court order was appealed, and the Court of Appeals issued an opinion reversing the District Court. The mandate of the Court of Appeals has not issued, pending consideration of requests for rehearing. Until such time as the mandate issues, the Trustee continues to be the party in this proceeding with full authority to act on behalf of Cajun. See Fed. R. Bankr. P. 2012(a).

proceeding further." October 10, 1995 Motion at 2. The Motion was granted by order dated October 16, 1995.

On January 16, 1996, the Trustee and GSU filed a Motion to Suspend the Procedural Schedule, to provide the Bankruptcy Court the opportunity to review the Trustee's Motion to terminate this proceeding. The Motion to Suspend is pending.

II. WITHDRAWAL OF CONTENTION AND MOTION TO TERMINATE HEARING

The Trustee has examined the facts and circumstances related to Cajun's contention and this hearing. The Trustee believes that the Board, as affirmed by the Commission, was correct in finding that Cajun has standing to intervene in this proceeding, and that Cajun proffered an acceptable contention. Nonetheless, the Trustee has concluded that it is in the best interests of the estate for Cajun to withdraw Contention 2 on safety at this time and terminate the hearing proceeding on this one contention.

Under Federal Rule of Bankruptcy Procedure 9019(a), the permission of the Bankruptcy Court is required to resolve disputes and terminate legal proceedings. See Fed. R. Bankr. P. 9019(a). Accordingly, on January 3, 1996, the Trustee filed a Motion to Approve Resolution of Dispute and Termination of Further Participation in Nuclear Regulatory Commission Litigation. See Trustee's Motion to Bankruptcy Court, attached as Attachment A. The motion was granted on January 23, 1996.

Accompanying the Trustee's Motion to the Bankruptcy Court is the Declaration of the Trustee. See Attachment A at pages 14 through 17. In his Declaration, the Trustee states his

belief that litigation of Cajun's safety-related contention before the Board, even if decided in Cajun's favor, will not increase the value of the estate. Id., at ¶ 8, page 16 of 19. The Trustee also states that while safety-related issues typically are the concern of the NRC staff, the NRC staff does not support Cajun's contention in this case. Id., ¶ 9. The Trustee states his conclusion that:

I believe that the creditors of Cajun Electric's estate will be benefitted by the savings realized from terminating further participation in [this Board Proceeding] and by the dedication of the estate's limited resources, so far as practicable, to Cajun Electric's effective reorganization.

Id., ¶ 10. Therefore, it is the Trustee's judgment that terminating further participation in the Board proceeding litigating Cajun's contention is in the best interests of the estate (id., ¶ 11), and he sought the approval of the Bankruptcy Court to terminate further participation in this case.

As noted, the Bankruptcy Court approved the Trustee's Motion on January 23, 1996. See Attachment B. Just as the authorized actions of Cajun, as debtor-in-possession of its bankruptcy estate, are binding on the Trustee,^{3/} the authorized actions and orders obtained by the Trustee will be binding on Cajun in the event Cajun is returned to debtor-in-possession status. See note 2, supra.

^{3/} It is axiomatic that a bankruptcy trustee, "as successor to the debtor in possession, is bound by his predecessor's authorized acts." Paul v. Monts, 906 F.2d 1468, 1473 (10th Cir. 1990). See also Armstrong v. Norwest Bank, Minneapolis, N.A., 964 F.2d 797, 801 (8th Cir. 1992).

The Trustee stresses that Cajun is not withdrawing its Petition to Intervene, as amended and supplemented, or any of the other issues, matters or contentions contained therein. The withdrawal of Contention 2 and the termination of this hearing is intended to have no effect on other litigation, including Ralph R. Mabey, Chapter 11 Trustee for Cajun Electric Power Cooperative, Inc. v. NRC, U.S. Court of Appeals for the D.C. Circuit Docket No. 95-1399, et al.

The Trustee requests that the withdrawal of Contention No. 2 be without prejudice. Cajun continues to have concerns about EOI's lack of financial qualifications, although the Trustee does not wish to litigate the safety contention at this time. Withdrawal without prejudice is the standard at this Commission. See Mississippi Power & Light Co. (Grand Gulf Nuclear Station, Units 1 & 2), LBP-73-41, AEC 1057 (1973). Dismissal with prejudice requires a showing of some harm to another party or the public interest, which harm is not present in this case.

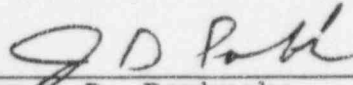
The Trustee requests that the ASLB terminate the hearing proceeding. Since Contention 2 is the only contention and Cajun is the only intervenor, withdrawal should bring this hearing proceeding to an end. See Texas Utilities Generating Co. (Comanche Peak Steam Electric Station, Units 1 & 2), CLI-81-36, 14 NRC 1111, 1113-4 (1981). Since Staff has advocated against Cajun's safety contention, no party remains which could assume Contention No. 2. Therefore, a hearing on Cajun's Contention 2 would serve no purpose at this time.

III. CONCLUSION

Based on the foregoing, the Trustee states that Cajun is withdrawing its Contention 2 and respectfully moves that the Board terminate the hearing proceedings without prejudice.

Dated: January 25, 1996

Respectfully submitted,



James D. Pembroke

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ATTACHMENT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF LOUISIANA

In re:

CAJUN ELECTRIC POWER
COOPERATIVE, INC.,

Debtor.

Federal Tax Id. No.: 72-0655799

CIVIL ACTION
NO. 94-2763-B2

BANKRUPTCY CASE
NO. 94-11474

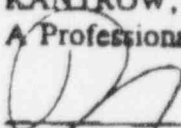
Chapter 11

**MOTION BY RALPH R. MABEY, CHAPTER 11 TRUSTEE TO APPROVE
RESOLUTION OF DISPUTE AND TERMINATION OF FURTHER PARTICIPATION
IN NUCLEAR REGULATORY COMMISSION LITIGATION PURSUANT TO
FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019(a)**

Ralph R. Mabey, the Chapter 11 trustee in the above-captioned case (the "Trustee"), by and through undersigned counsel, hereby submits this Motion by Ralph R. Mabey, Chapter 11 Trustee to Approve Resolution of Dispute and Termination of Further Participation in Nuclear Regulatory Commission Litigation Pursuant to Federal Rule of Bankruptcy Procedure 9019(a) (the "Motion"). The Motion is supported by the Memorandum in Support of Motion ("Memorandum") and the Declaration of Ralph R. Mabey submitted herewith. This Motion is based upon the facts set forth in Memorandum, which facts are incorporated herein by reference.

DATED this 3 day of January, 1996.

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF LOUISIANA

In re:

CAJUN ELECTRIC POWER
COOPERATIVE, INC.,

Debtor.

Federal Tax Id. No.: 72-0655799

CIVIL ACTION
NO. 94-2763-B2

BANKRUPTCY CASE
NO. 94-11474

Chapter 11

**MEMORANDUM IN SUPPORT OF MOTION BY RALPH R. MABEY,
CHAPTER 11 TRUSTEE TO APPROVE RESOLUTION OF DISPUTE AND
TERMINATION OF PARTICIPATION IN NUCLEAR REGULATORY COMMISSION
LITIGATION PURSUANT TO FEDERAL RULE OF
BANKRUPTCY PROCEDURE 9019(a)**

In support of the Motion by Ralph R. Mabey, Chapter 11 Trustee, to Approve the Trustee's Resolution of Dispute and Termination of Further Participation in Nuclear Regulatory Commission Litigation Pursuant to Federal Rule of Bankruptcy Procedure 9019(a) (the "Motion"), Ralph R. Mabey (the "Trustee"), by and through his undersigned counsel, offers the following supporting memorandum and states as follows. The Motion also is supported by the Declaration of Ralph R. Mabey, which is attached hereto as Exhibit A.

BACKGROUND

1. In January, 1993, Gulf States Utilities Company ("GSU") filed two license amendment applications with the Nuclear Regulatory Commission (the "NRC"), seeking NRC approval of (i) GSU's acquisition by Entergy Corporation ("Entergy") and (ii) the transfer of operational responsibilities for the River Bend Station ("River Bend") from GSU to Entergy Operations, Inc. ("EOI").

2. Subsequently, Cajun Electric Power Cooperative, Inc. ("Cajun Electric") filed a motion to intervene in GSU's proceeding before the NRC. Thereafter, in August of 1993, the NRC convened the Atomic and Safety Licensing Board (the "ASLB") to consider the contentions raised by Cajun Electric in its motion to intervene.

3. Among other contentions, Cajun Electric claimed that GSU's proposed license amendments might result in an insufficiency of assets available for safe operations at River Bend. As bases for its contention, Cajun Electric asserted that (i) the proposed River Bend Operating Agreement runs only between Gulf States and EOI, under which agreement EOI will be solely dependent on GSU for all necessary funding (ii) EOI is very thinly capitalized and will have no source of funds other than GSU to maintain safe operations, (iii) GSU faces severe financial exposure from litigation with Cajun Electric and from certain Texas regulatory proceedings which could render GSU unable to make adequate payments to EOI to maintain safe and reliable operation of River Bend, and (iv) under the Entergy/GSU Merger Agreement, Entergy, the parent of GSU and EOI, is not responsible for funding EOI's operation of River Bend if GSU ceases to fund EOI. In the Matter of Gulf States Utilities Company, et al., (River Bend Station, Unit 1), LBP-94-3, Docket No. 50-458-OLA, 39 N.R.C. 31, 41 (1994) (hereafter In re GSU).

4. By intervening and pursuing the litigation, Cajun Electric sought to have additional conditions imposed on GSU's license amendments to preserve the rights and interests of Cajun Electric in River Bend. In re GSU, 39 N.R.C. at 31. In addition, Cajun Electric sought to have two existing license conditions enforced. Id.

5. In January 1994, the ASLB determined that Cajun Electric had standing to intervene based on Cajun Electric's property interest in River Bend, and set for hearing only one

issue raised by Cajun Electric -- that the proposed license amendments might result in a significant reduction in the margin of safety at River Bend. *Id.* GSU appealed the ASLB determination to the NRC and the NRC denied GSU's appeal in August of 1994. In the Matter of Gulf States Utilities Company, et al., (River Bend Station, Unit 1), Docket No. 50-458-OLA, CLI-94-10, 40 N.R.C. 43 (1994).

6. Discovery thereafter was conducted in accordance with the procedural schedule established by the ASLB, which also established a hearing in February or March of 1995. In January 1995, GSU filed a motion for summary judgment with the ASLB and Cajun Electric responded. In view of the pending summary judgment motion, GSU and Cajun Electric filed a joint motion to extend the procedural schedule. That motion was granted, but the ASLB required that a hearing on the asset related issues (the "NRC Litigation") would commence 81 days after a ruling on the summary judgment motion.

7. On June 15, 1995, the ASLB denied GSU's summary judgment motion. On July 17, 1995, Cajun Electric and GSU jointly sought a further extension of the procedural schedule. The order granting that motion established the following schedule:

Completion of depositions	October 23, 1995
Submission of prefiled testimony	November 13, 1995
Hearing commences	November 28, 1995

8. On August 2, 1995, the Court ordered the appointment of a Chapter 11 trustee for Cajun Electric and on August 23, the Court signed an order approving Mr. Mabey's appointment as Chapter 11 Trustee. On August 30, 1995, Mr. Mabey accepted his appointment and, pursuant to 11 U.S.C. § 322, qualified to serve as Cajun Electric's Chapter 11 trustee.

9. In October of 1995, Cajun Electric and GSU, at GSU's request, filed a joint motion seeking a further extension of the procedural schedule. This request was timely in view of the Trustee's recent appointment and the need for the Trustee and his staff to evaluate the NRC Litigation and determine an appropriate course of action. The ASLB granted that motion, extending until January 23, 1996 the deadline for completing depositions and until February 12, 1996 for submitting prefiled testimony, but cautioned that no further extensions of the procedural schedule would be granted absent "extraordinary circumstances."¹

10. The Trustee, with the assistance of his staff and counsel, has now had an opportunity to evaluate the NRC Litigation. Declaration of Ralph R. Mabey in Support of Motion by Ralph R. Mabey, Chapter 11 Trustee to Approve Resolution of Dispute and Termination of Further Participation in Nuclear Regulatory Commission Litigation Pursuant to Federal Rule of Bankruptcy Procedure 9019(a) (the "Mabey Declaration"), at ¶ 7. He is advised that in view of the impending deadlines for submission of prefiled testimony and the taking of depositions, the cost to the estate of pursuing the NRC Litigation soon will increase dramatically. Mabey Declaration at ¶ 7. It also appears that the NRC Litigation, although involving important issues concerning the assets which affiliates of Entergy will be required to have available for the safe operations at River Bend, will not result in a monetary gain by the estate. Mabey Declaration at ¶ 8. Thus, the estate will be required to expend substantial amounts of time and money pursuing an action which, even if decided in Cajun Electric's favor, will not provide a monetary benefit to the estate. Mabey Declaration at ¶ 8. The Trustee submits that creditors of the estate will be benefitted by the savings realized from terminating

¹ The Trustee intends to file a request for further extension of the procedural schedule so that he need not move the litigation forward pending this Court's ruling on this Motion. The Trustee believes that these constitute "extraordinary circumstances."

further participation in the NRC Litigation and by dedicating the estate's limited resources to Cajun Electric's effective reorganization. Mabey Declaration at ¶ 9.

11. The Trustee further has been advised that, although the issues raised in the NRC Litigation typically are of considerable concern to NRC staff, the NRC staff no longer supports Cajun Electric's efforts. Mabey Declaration at ¶ 10. In view of, among other things, the NRC staff's opposition, the likelihood of Cajun Electric successfully pursuing the litigation is remote. Mabey Declaration at ¶ 10.

DISCUSSION

1. The Court Should Approve the Trustee's Compromise Because it is Fair and Equitable and is in the Best Interest of the Estate

A trustee in a chapter 11 case is empowered to compromise and settle claims with the approval of the Court. Specifically, Federal Rule of Bankruptcy Procedure 9019(a) provides:

On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee, the debtor, and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct.

In approving a compromise or settlement, the Court need not make a determination with any legal certainty that the claims asserted by Cajun Electric are entirely valid or worthless. Florida Trailer and Equipment Company v. Deal, 284 F.2d 567, 571 (5th Cir. 1960). A proposed compromise of a dispute should be approved without holding a full-blown trial; otherwise the Court would have to conduct the trial which the compromise seeks to avoid.

Although the United States Supreme Court held in Protective Committee for Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424 (1968), reh'g. denied, 391 U.S. 909 (1968) (hereafter "TMT Trailer") that in making an "informed and independent judgment" regarding a proposed compromise, a court must apprise itself of "all facts necessary

for an intelligent and objective opinion of the probabilities of ultimate success should the claim be litigated", it is well-established that TMT Trailer does not require a "mini-trial." United States v. Alaska National Bank (In re Walsh Construction, Inc.), 669 F.2d 1325 (9th Cir. 1982). The reason for not requiring a "mini-trial" is obvious: "Any virtue which may reside in a compromise is based on doing away with the very need for deciding with exactness what would have been the outcome had no settlement been made or approved." In re Riggi Brothers Company, 42 F.2d 174, 176 (2d Cir. 1930).

However, in approving a settlement agreement, the Court must make an independent determination that it is fair and equitable. TMT Trailer, 390 U.S. at 424. In evaluating whether a proposed settlement is fair and equitable, the Court should consider the following factors:

- (1) the probability of success in the litigation, with due consideration for the uncertainty in fact and law,
- (2) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and
- (3) all other factors bearing on the wisdom of the compromise.

In re Jackson Brewing Co., 24 F.2d 599, 602-03 (5th Cir. 1980) (citing TMT Trailer, 390 U.S. at 424-25); see also Watts v. Williams, 154 B.R. 56 (S.D. Tex. 1993).

Consideration of these factors in the case at hand demonstrates that the Trustee has properly used his reasoned and informed judgment in deciding to terminate further participation in the NRC Litigation.

Based upon the advice of his counsel and staff, the Trustee has determined that even if Cajun Electric prevails in the NRC Litigation, no monetary benefit will be realized by the estate. The Entergy asset related issues raised by Cajun Electric, while important concerns, will not increase the value of Cajun Electric's estate. Instead, litigation of these issues before the ASLB

will require the expenditure of substantial amounts of time and estate funds which could best be employed to facilitate Cajun Electric's effective reorganization. Creditors will not be prejudiced by Cajun Electric's termination of further participation in the NRC Litigation; indeed, they will be benefitted by the savings of time and expense which will allow the Trustee to continue to focus his efforts on Cajun Electric's prompt reorganization.

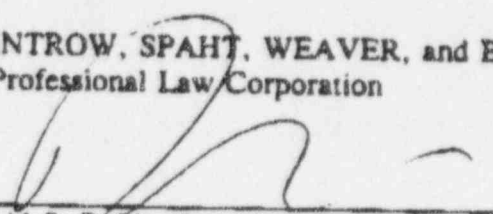
Moreover, the issues raised by Cajun Electric are typically are of considerable interest to the NRC staff. In this instance, however, the NRC staff no longer supports Cajun Electric's efforts in pursuing this litigation. Thus, even those most often concerned with the type of issues raised by Cajun Electric opposes the issues raised by Cajun Electric. Given the position of the NRC staff, it appears that the likelihood of Cajun Electric succeeding in the NRC Litigation is remote. Under these circumstances, and in an effort to conserve the limited resources of the estate, the Trustee believes the best interests of the estate are served by Cajun Electric's termination of further participation in the NRC Litigation and the utilization of the estate's resources in the reorganization effort at hand.

CONCLUSION

Based on the foregoing, the Trustee respectfully submits that the estate's best interests are served by Cajun Electric's termination of further participation in the NRC Litigation, and therefore he requests the Court to approve that action pursuant to Fed. R. Bankr. P. 9019(a).

DATED this 3 day of January, 1996.

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Declaration of Ralph R. Mabey, Trustee

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF LOUISIANA

In re:	)	CIVIL ACTION
CAJUN ELECTRIC POWER	)	NO. 94-2763-B2
COOPERATIVE, INC.,	)	BANKRUPTCY CASE
	)	NO. 94-11474
Debtor.	)	Chapter 11
Federal Tax Id. No.: 72-0655799)	

DECLARATION OF RALPH R. MABEY IN SUPPORT OF MOTION BY RALPH R. MABEY, CHAPTER 11 TRUSTEE TO APPROVE RESOLUTION OF DISPUTE AND TERMINATION OF FURTHER PARTICIPATION IN NUCLEAR REGULATORY COMMISSION LITIGATION PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019(a)

I, Ralph R. Mabey, declare as follows:

1. I make this Declaration based upon facts of which I have personal knowledge or which have been made known to me in the course of my duties such that I may appropriately rely upon them. I am competent to testify in the matters set forth herein.
2. I make this Declaration in support of the Motion by Ralph R. Mabey, Chapter 11 Trustee, to Approve Resolution of Dispute and Termination of Further Participation in Nuclear Regulatory Commission Litigation Pursuant to Federal Rule of Bankruptcy Procedure 9019(a).
3. I am the Chapter 11 Trustee for Cajun Electric Power Cooperative, Inc. ("Cajun Electric").
4. Before my appointment as Cajun Electric's Chapter 11 Trustee, Cajun Electric had filed a motion to intervene in a certain proceeding before the Nuclear Regulatory Commission (the "NRC") involving two license amendment applications filed with

the NRC by Gulf States Utilities Company ("GSU") in January of 1993.

5. In January 1994, the Atomic Safety Licensing Board (the "ASLB") approved Cajun Electric's standing in the case and set for hearing only one issue raised by Cajun Electric in its motion to intervene -- that the proposed license amendments might result in a significant reduction in the margin of safety at River Bend. Thereafter, the ASLB set the initial procedural schedule for hearings regarding the referenced issue (the "NRC Litigation"). This initial procedural schedule was extended on subsequent occasions upon joint motions filed by Cajun Electric and GSU.

6. In October of 1995, Cajun Electric, at GSU's request, entered into another joint motion, seeking a further extension of the procedural schedule established by the ASLB. This request was timely in view of my recent appointment as Chapter 11 Trustee and the need for me and my staff to evaluate the NRC Litigation and determine an appropriate course of action. The ASLB granted that motion, extending until January 23, 1996, the deadline for completing depositions and until February 12, 1996, the deadline for submitting prefiled testimony, but cautioned that no further extensions of the procedural schedule would be granted absent "extraordinary circumstances."

7. With the assistance of my staff and counsel, I have evaluated the NRC Litigation. I have been advised that in view of the impending deadlines for submission of prefiled testimony and the taking of depositions, the cost to the estate of pursuing the NRC Litigation soon will increase dramatically.

8. I also have been advised that the NRC Litigation, although involving important issues concerning the assets which affiliates of Entergy will be required to have available for the safe operations at River Bend, will not result in a monetary gain to the estate. If the estate proceeds with the NRC Litigation, the estate will be required to expend substantial amounts of time and money pursuing an action which, even if decided in Cajun Electric's favor, will not increase the value of the estate.

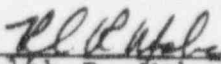
9. I also have been advised that, although the Entergy asset related issues raised in the NRC Litigation typically are the kind that would be of considerable importance to the NRC staff, in this instance the NRC staff no longer supports Cajun Electric's efforts. Given, among other things, the NRC staff's position, I believe that the likelihood of Cajun Electric successfully pursuing the litigation is remote.

10. I believe that creditors of Cajun Electric's estate will be benefitted by the savings realized from terminating further participation in the NRC Litigation and by the dedication of the estate's limited resources, so far as practicable, to Cajun Electric's effective reorganization.

11. Accordingly, under the circumstances, it is my judgment that terminating further participation in the NRC Litigation is in the best interest of the estate. Such action will conserve the limited resources of the estate and permit me to focus those resources, so far as practicable, on the reorganization effort at hand.

I declare under penalty of perjury that the foregoing is true and correct.

DATED this 1 day of January, 1996.


~~Ralph R. Mabe~~

IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE MIDDLE DISTRICT OF LOUISIANA
 15 JUN -9 11:38:52

In re:	)	CIVIL ACTION
	)	NO. 94-2763-B2
CAJUN ELECTRIC POWER)	
COOPERATIVE, INC.,	)	BANKRUPTCY CASE
	)	NO. 94-11474
Debtor.)	
	)	Chapter 11
Federal Tax Id. No.: 72-0655799)	

ORDER GRANTING MOTION BY RALPH R. MABEY, CHAPTER 11 TRUSTEE, TO APPROVE RESOLUTION OF DISPUTE AND TERMINATION OF FURTHER PARTICIPATION IN NUCLEAR REGULATORY COMMISSION LITIGATION PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019 (a)

Upon consideration of Motion by Ralph R. Mabey, Chapter 11 Trustee to Approve Resolution of Dispute and Termination of Further Participation in Nuclear Regulatory Commission Litigation Pursuant to Federal Rule of Bankruptcy Procedure 9019(a), and good cause having been established therefore,

IT IS HEREBY ORDERED as follows:


1. The Motion shall be and hereby is GRANTED.

_____, Louisiana, this ____ day of _____, 1996

 The Honorable Gerald Schiff
 United States Bankruptcy Judge

Order Submitted By:

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ATTACHMENT B

JAN 23 1996

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE MIDDLE DISTRICT OF LOUISIANA

J. LYNN BURKETT, CLERK
UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF LOUISIANA

In re:

CAJUN ELECTRIC POWER
COOPERATIVE, INC.,

Debtor.

Federal Tax Id. No.: 72-0655799

CIVIL ACTION
NO. 94-2763-B2

BANKRUPTCY CASE
NO. 94-11474

Chapter 11

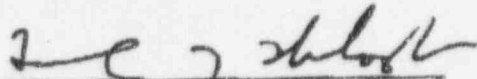
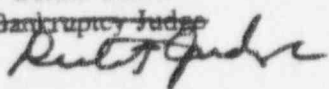
ORDER GRANTING MOTION BY RALPH R. MABEY, CHAPTER 11
TRUSTEE, TO APPROVE RESOLUTION OF DISPUTE AND TERMINATION
OF FURTHER PARTICIPATION IN NUCLEAR REGULATORY COMMISSION
LITIGATION PURSUANT TO FEDERAL RULE OF BANKRUPTCY
PROCEDURE 9019 (a)

Upon consideration of Motion by Ralph R. Mabey, Chapter 11 Trustee to Approve Resolution of Dispute and Termination of Further Participation in Nuclear Regulatory Commission Litigation Pursuant to Federal Rule of Bankruptcy Procedure 9019(a), and good cause having been established therefore,

IT IS HEREBY ORDERED as follows:

- 1. The Motion shall be and hereby is GRANTED.

Baton Rouge, Louisiana, this 19 day of January 1996


The Honorable Gerald Schiff
United States Bankruptcy Judge


UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

DOCKETED
USNRC

'96 JAN 26 P2:47

In the Matter of
GULF STATES UTILITIES COMPANY
(River Bend Station, Unit 1)

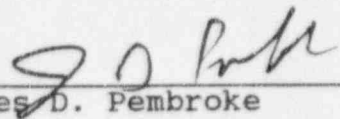
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Docket No. 50-458-OLA

OFFICE OF SECRETAR
DOCKETING & SERVICE
BRANCH

CERTIFICATE OF SERVICE

I, James D. Pembroke, hereby certify that on this 25th day of January 1996, I served a copy of the foregoing document upon all persons on the attached service list by United States mail.



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