

**SYSTEM ENERGY
RESOURCES, INC.** 29
08 JUL 25 1988

William Cavanaugh, III
President
& Chief Executive Officer

July 20, 1988

Dr. J. Nelson Grace
Regional Director
U.S. Nuclear Regulatory Commission
Region II
101 Marietta Street, N.W., Suite 2900
Atlanta, GA 30323

Dear Dr. Grace:

As promised, I am sending for your information a copy of the recent U.S. Supreme Court decision in the case involving Mississippi Power & Light Company's retail rate filing to recover FERC-mandated Grand Gulf costs. This favorable decision removes many financial uncertainties that have existed in the Middle South System for several years and will allow us to focus our efforts on our primary objectives. As you well know, the importance of this case goes beyond the MSU System to the entire nuclear utility industry. It pleases me that the Opinion I'm sharing with you is a favorable one!

I hope our schedules will allow us a visit together in late August or September.

Sincerely,



WC:asg/dp

Attachment

8808030302 880720
PDR ADOCK 05000416
P PDC

1/0
JUL 21