

PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE--PNO-I-88-56

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information is as initially received without verification or evaluation, and is basically all that is known by the Region I staff on this date.

Facility:  
Long Island Lighting Company  
Shoreham Nuclear Power Station  
DN 50-322

Licensee Emergency Classification:  
 Notification of Unusual Event  
 Alert  
 Site Area Emergency  
 General Emergency  
 Not Applicable

Subject: LILCO AND NEW YORK STATE REACH AGREEMENT IN PRINCIPLE

At 1:30 a.m. on May 26, 1988, negotiators for New York State and Long Island Lighting Company (LILCO) announced that they have reached an agreement in principle for the settlement of the Shoreham controversy. Settlement negotiations had been ongoing; however, on May 25, 1988, Governor Cuomo issued an ultimatum that LILCO accept the State's offer by midnight or the offer would be withdrawn and the State would pursue a public takeover.

The announcement indicated that both sides have agreed to begin drafting documents containing the terms of the agreement. The principle terms of the agreement will call for transferring the Shoreham Nuclear facility to the Long Island Power Authority or other state agency, providing measures for adequate and affordable energy for the people of Long Island, issuing investment grade ratings by independent rating agencies for LILCO securities, and the approval of the definitive agreement by the New York State Public Service Commission.

There has been significant media attention on the announced agreement.

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