



ARKANSAS POWER & LIGHT COMPANY
CAPITOL TOWER BUILDING/P. O. BOX 551/LITTLE ROCK, ARKANSAS 72203/(501) 377-3525
June 1, 1988

T. GENE CAMPBELL
Vice President - Nuclear

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U. S. Nuclear Regulatory Commission
Document Control Desk
Mail Stop P1-137
Washington, DC 20555

Attn: Mr. Dennis M. Crutchfield, Director
Division of Reactor Projects III, IV, V
and Special Projects

SUBJECT: Arkansas Nuclear One - Units 1 & 2
Docket Nos. 50-313 and 50-368
License Nos. DPR-51 and NPF-6
SERI License Application for ANO-1 & 2

Dear Mr. Crutchfield:

In our meeting of May 19, 1988, we discussed the recently announced proposal by Middle South Utilities to seek NRC's approval for the transfer of management and operating responsibilities of Arkansas Nuclear One, Units 1 and 2, from Arkansas Power and Light to System Energy Resources, Inc. (SERI). SERI is a wholly owned subsidiary of Middle South Utilities and is licensed to possess, use and operate Grand Gulf Nuclear Station, Unit 1 (NPF-29), and to construct Grand Gulf, Unit 2. Under the provisions of the proposed transfer, AP&L will retain ownership of Arkansas Nuclear One, Units 1 and 2; however, we will enter into a contractual agreement with SERI to provide management and operation of the units. SERI will thus become a joint licensee of Arkansas Nuclear One, Units 1 and 2.

In order to allow ample time for NRC review of this matter, the required request for license amendment is being expeditiously prepared and is expected to be submitted by July 1, 1988. However, in order to expedite the review process, and in accordance with our discussion of May 19th, we are at this time submitting a draft version of our proposed request for license amendment. Although preliminary and incomplete, the attached draft is representative of the breadth of issues to be addressed in the final submittal. (The attachments referenced in the draft submittal have not yet been completed and are not included. These will be provided in the July 1st submittal.) Any comments which you may have at this time will be factored into our final submittal to be provided by July 1, 1988.

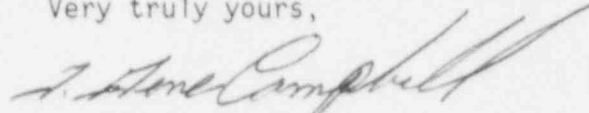
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June 1, 1988

Preparation of the request for license amendment for Arkansas Power and Light is being closely coordinated with representatives of Louisiana Power and Light and SERI. A similar draft amendment request affecting the transfer of management and operating responsibility for Waterford 3 from Louisiana Power and Light to SERI is being forwarded under separate cover by Mr. J. G. Dewease of Louisiana Power and Light. Although approvals will also be required from various other regulatory agencies, NRC's review of the required license amendment is considered to be the key element of the implementation process. As such, NRC's support and review of this matter is greatly appreciated and AP&L will make every effort to assure complete and timely submittal of information required to support NRC in this effort.

Very truly yours,



T. Gene Campbell

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Attachment