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PDR

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Stello
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LONG ISLAND LIGHTING COMPANY

EXECUTIVE OFFICES: 178 EAST OLD COUNTRY ROAD • HICKSVILLE, NEW YORK 11801

WILLIAM J. CATACOSINOS
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Murley
Parler
SECY
Russell

June 1, 1988

Mr. Victor Stello
Executive Director
U.S. Nuclear Regulatory
Commission
One White Flint North
11555 Rockville Pike
Room 17H1
Rockville, Maryland 20852

Re: Shoreham Nuclear Power Station

Dear Mr. Stello:

This letter will confirm our oral advice to you last week that LILCO has reached an agreement in principle concerning a settlement of issues between it and various government agencies in New York State relating to the Shoreham Nuclear Power Station. We are in the process of drafting documents to reflect these agreements. Even after they have been completed and signed, the agreement will not become effective until a number of contingencies have occurred, a process that will take approximately three months. LILCO will continue the licensing of the plant until such time as all contingencies have been satisfied, at which time Commission approval of the transfer of control of the plant and its relevant licenses will be sought. During the three-month period contemplated for satisfaction of the contingencies, the company has agreed not to operate the plant at greater than 5 percent of full power should the Commission remove its present restriction on the license to low power and testing operations.

As soon as documents reflecting the agreement to enter into a settlement have been completed we will provide them to you and your staff. In the meantime, it is the intention and desire of the company to continue the Shoreham licensing process, including the full participation exercise scheduled for next week of the utility emergency plan for the Shoreham EP2.

Sincerely,

WJC/cb

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PDR



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Sincerely,

W. J. Catacosinos

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