



GULF STATES UTILITIES COMPANY

RIVER BEND STATION POST OFFICE BOX 220 ST. FRANCISVILLE, LOUISIANA 70775
AREA CODE 504 635-6094 346-8651

July 29, 1986
RBG- 24107
File G9.5

Mr. Harold R. Denton, Director
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Mr. Denton:

River Bend Station - Unit 1
Docket No. 50-458

As discussed with your Staff, Gulf States Utilities Company is seeking to include River Bend Unit 1 in the rates charged our customers. Various reviews are ongoing within both states of our service area, Texas and Louisiana, in connection with the rate cases.

On July 10, 1986, we filed a prospectus supplement discussing certain risk factors, problems facing the Company, and recent developments in compliance with Securities and Exchange Commission (SEC) disclosure requirements relating to a \$100 million bond offering. For some time, we have filed similar disclosure with the SEC and for several years we have disclosed our need for rate relief. These filings correctly indicate that various financial pressures which exist could result in the Company being rendered unable, among other things, to continue making capital expenditures which are principally in connection with River Bend Unit 1.

In this regard, let me assure you that Gulf States Utilities is fully committed to the safe operation of River Bend in accordance with the Operating License, NRC and other Federal, State, and local regulations and INPO guidelines, and that we are presently fulfilling our financial obligations related to River Bend operations. Should our present circumstances materially change, we will, of course, promptly notify the NRC.

Sincerely,

W. J. Cahill
Senior Vice-President
River Bend Project

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WJC/WJR/lp

cc: Mr. Robert D. Martin, Regional Administrator
U.S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, TX 76011

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