

June 29, 1987

Docket No. 50-458

Dr. E. Linn Draper, Jr.
President and Chief Executive Officer
Gulf States Utilities
P. O. Box 2951
Beautmentt, Texas 77704

Dear Dr. Draper:

Recently it was brought to my attention that as a result of a FERC decision, Gulf States Utilities (GSU) informed the Securities and Exchange Commission (SEC) that GSU may seek protection from creditors under the Bankruptcy Code. As you know from our earlier correspondence, the staff is concerned that bankruptcy or even the pendency of bankruptcy could negatively impact the operation of River Bend Station.

Your financial structure is principally a matter between GSU and appropriate state and federal bodies with authority over financial matters. However, your financial situation could adversely affect the quality of such activities as: (1) filling planned or needed staff positions at both the plant and corporate office, (2) implementation of training program plans and commitments, (3) scheduled plant maintenance tasks, including implementation of preventive maintenance programs, (4) timely completion of scheduled plant design changes and modifications affecting safety, (5) procurement of new and replacement parts, and (6) management and quality assurance oversight functions. Specifically, the staff is quite concerned with the high turnover in GSU engineering personnel at River Bend Station, deferred maintenance and apparent delays in making design changes.

I would urge you to personally review this situation and take immediate steps to reverse the trend in the turnover in your in-house engineering staff and initiate actions to perform necessary maintenance and design changes. I would further remind you of GSU's commitments of July 29, 1986 and December 15, 1986 to keep the staff promptly informed of developments in your financial condition.

We would be pleased to discuss this matter further, if you desire.

Sincerely,

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Dennis M. Crutchfield, Director
Division of Reactor Projects - III, IV,
V and Special Projects
Office of Nuclear Reactor Regulation

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to perform necessary maintenance and design changes. I would further remind you of GSU's commitments of July 29, 1986 and December 15, 1986 to keep the staff promptly informed of developments in your financial condition.

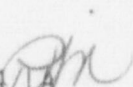
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
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
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