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Lando W. Zech, Jr., Chairman  
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Commissioner Kenneth M. Carr  
Commissioner Kenneth C. Rogers  
Commissioner James R. Curtiss  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

By Hand

Docket No. 50-322-OL:-3  
Long Island Lighting Company  
(Shoreham Nuclear Power Station, Unit 1)

Dear Chairman Zech and Commissioners:

This letter discusses the relationship between the Commission's scheduled April 17 briefing on a full power operating license for the Shoreham Nuclear Power Station and an executory agreement of February 28, 1989 between Long Island Lighting Company and New York State concerning the plant. Under that agreement, LILCO would agree not to operate the plant and would cooperate in obtaining the Commission's consent to transfer the plant and associated licenses to qualified agencies of the State of New York. The stated intent of the Governor of New York is that those agencies would then seek the Commission's permission to decommission the plant. They would also undertake, upon LILCO's request, to construct replacement capacity to compensate for the loss of Shoreham.

New York State has taken the steps required of it to ratify the agreement. LILCO's Board of Directors has approved it and

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LILCO's shareholders will vote on whether to approve it in approximately mid-June.

It is not possible to predict whether LILCO's shareholders will ratify the agreement with New York State. Whatever their action, LILCO will remain responsible for complying with all Shoreham license requirements unless and until those license responsibilities have been modified, or the license transferred, by the NRC.

Since, under the agreement with New York State, Shoreham will remain shut down at least until the LILCO shareholders' meeting, authorization of a full power operating license to LILCO will not result in any immediate alteration of the status quo at the plant. Indeed, no such alteration can occur unless the agreement is rejected by LILCO's shareholders or fails for other, presently unforeseen intervening reasons.

LILCO believes that it has satisfied all requirements for issuance of a full power license, and that its eligibility is not affected by the pendency of the agreement with New York State described above. Moreover, should circumstances require operation of the plant, a full power license (even if conditioned as described below) would enable that to occur. Accordingly, LILCO respectfully urges the Commission to authorize a full power license promptly. The public interest in bringing the Shoreham proceedings to a close, in permitting prompt judicial review of any pertinent issues, and in ensuring that Shoreham's capacity can be made available as needed, all argue powerfully in favor of this action.

Given the uncertainties in this matter, and given the fact that LILCO has agreed not to operate the plant prior to its shareholders' meeting, LILCO would not object to attachment of appropriate conditions to the Commission's full power license authorization:

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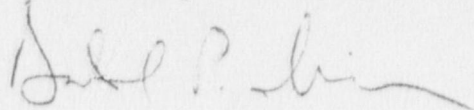
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1. requiring the licensee to keep the Commission promptly informed of material developments relating to the executory agreement with New York State;
2. limiting operation of the plant to 5% of rated power, notwithstanding the issuance of a full power authorization, until the licensee notifies the Commission of some event that either permits or requires operation of the plant at above 5% power; and
3. requiring such additional readiness reviews as the passage of time may make appropriate.

LILCO hopes that this information will be of use to the Commission in its ultimate disposition of the Shoreham licensing proceeding.

Respectfully submitted,



Donald P. Irwin  
Counsel for Long Island  
Lighting Company

cc: Attached Service List



CERTIFICATE OF SERVICE

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In the Matter of  
LONG ISLAND LIGHTING COMPANY  
(Shoreham Nuclear Power Station, Unit 1)  
Docket No. 50-322-OL

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I hereby certify that copies of a letter to the Chairman and Commissioners of the Nuclear Regulatory Commission from Donald P. Irwin, dated April 14, 1989, were served this date upon the following by hand as indicated by an asterisk, or by first-class mail, postage prepaid.

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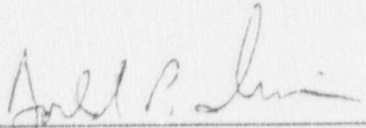
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DATED: April 14, 1989