



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

August 31, 1989

The Honorable Elton Gallegly
United States House of Representatives
Washington, DC 20515

Dear Congressman Gallegly:

This is in response to your referral forwarding to us statements dealing with a settlement agreement between the Long Island Lighting Company and the State of New York, involving the decommissioning of the Shoreham Nuclear Power Plant, Unit 1 (Shoreham).

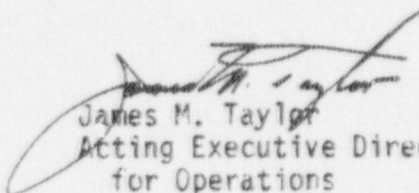
The Nuclear Regulatory Commission (NRC), under the Atomic Energy Act of 1954, as amended, is responsible for regulating commercial nuclear facilities to ensure that the operation of these facilities will not be inimical to either the common defense and security or to the public health and safety. In accordance with that mission, the NRC granted the Long Island Lighting Company a full-power operating license for Shoreham on April 21, 1989 upon determining that the facility could be safely operated. Similarly, the NRC would be directly involved in ensuring that any transfer of ownership of Shoreham and any possible subsequent decommissioning are conducted in accordance with the NRC's rules and regulations. We intend to closely monitor the situation to assure that all requirements of law and regulation are met.

For your information, I have enclosed a copy of Chairman Zech's May 19, 1989 letter to Senator J. Bennett Johnston more fully dealing with this situation.

The NRC does not, however, have jurisdiction over the matters related to a tax writeoff that could result from the decommissioning of the Shoreham facility. Such matters are within the jurisdiction of the Internal Revenue Service.

In accordance with your request, we are returning the incoming correspondence.

Sincerely,


James M. Taylor
Acting Executive Director
for Operations

Enclosures:

1. Ltr. to Sen. Johnston
2. Incoming Letter

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