

January 20, 1998

MEMORANDUM L. Joseph Callan

TO: Executive director for Operations

Karen D. Cyr
General Counsel

FROM: John C. Hoyle /s/

SUBJECT: STAFF REQUIREMENTS: SECY-97-274 - RESPONSE TO REQUEST FOR RECONSIDERATION OR DELAY OF IMPLEMENTATION OF THE PORTION OF THE FINAL POLICY STATEMENT ON RESTRUCTURING AND ECONOMIC DEREGULATION OF THE ELECTRIC UTILITY INDUSTRY ADDRESSING JOINT AND SEVERAL LIABILITY OF OWNERS

The Commission declined to reconsider or delay implementation of its Final Policy Statement on the Restructuring and Economic Deregulation of the Electric Utility Industry as requested by eight municipal and cooperatively owned electric utility systems, and approved the proposed response to Gary J. Newell, ESQ, of the firm Speigel and McDiarmid, subject to the enclosed editorial revisions. The revised letter to Mr. Newell should be forwarded for the signature of the Secretary of the Commission.

(EDO/OGC)

(SECY Suspense: 01/30/98)

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
CIO
CFO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (by E-Mail)
PDR
DCS

SECY NOTE: This SRM, SECY 97-274, and the Commission Voting Record will be made publicly available 5 working days from the date that the letter to Newell is signed and dispatched.

EDITORIAL CHANGES TO NEWALL LETTER (SECY 97-274)

- Paragraph 2, line 2: Insert "or policy" after "practice" at the end of sentence 3.
- Paragraph 3, line 6: insert " in order to address the health and safety issue" after "responsibility" at the end of sentence 3.
- Paragraph 3, line 8: substitute a period for the comma at the end of the sentence.
- Paragraph 4, line 2: Move the comma inside the final the quotation mark in sentence 1.
- Paragraph 4, line 3: Insert "broad" before " imposition" in sentence 1.
- Paragraph 4, line 4: Insert "generally" after " Commission" in sentence 1.
- Paragraph 4: End paragraph 4 with sentence 3. Begin new paragraph 5 with the following insert: "The Commission did not intend to create additional uncertainty regarding liability, especially recognizing the present climate of electric utility restructuring. Rather, the Commission desires to clearly state possible courses of action should circumstances dictate." Sentences 4, 5, and 6 of existing paragraph 4 should be added to new paragraph 5, subject to insertion of ", and gives notice of," after "open" in sentence 6 (line 11, existing paragraph 4).

MEMORANDUM TO: Chairman Jackson
Commissioner Dicus
Commissioner Diaz

Commissioner McGaffigan

FROM:

Annette L. Vietti-Cook,
Assistant Secretary

SUBJECT:

STAFF REQUIREMENTS MEMORANDUM

Attached is the staff requirements memorandum for SECY-97-274, Response to Request for Reconsideration or Delay of Implementation of the Portion of the Final Policy Statement on Restructuring and Economic Deregulation of the Electric Utility Industry Addressing Joint and Several Liability of Owners . The SRM will be issued to the staff by close of business on Friday, January 16, 1998, unless I hear otherwise.

Attachment: As stated

CC:

EDO
OGC