

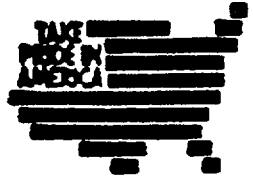
EXHIBIT 1

**Department Of Interior Letter Dated
September 18, 1997**



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
PHOENIX AREA OFFICE
P.O. BOX 10
PHOENIX, ARIZONA 85001



IN REPLY
REFER TO:
Branch of Real Estate Services
(602) 379-6781

SEP 18 1997

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Phillip C. Pugsley
Assistant Attorney General
160 East 300 South
P.O. Box 140874
Salt Lake City, Utah 84114-0874

Re: Notice of Appeal, Statement of Reasons, and
Request for Immediate Relief Skull Valley
Goshute Tribe Lease to Private Fuel Storage,
Inc.

Dear Mr. Pugsley:

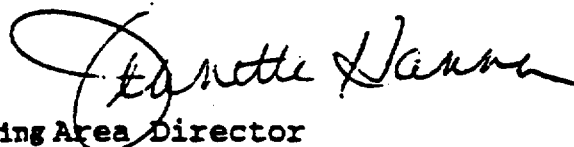
We received your Notice of Appeal and Statement of Reasons dated June 30, 1997. You are appealing the decision of the Superintendent of the Uintah and Ouray Agency, Bureau of Indian Affairs (Superintendent), to conditionally approve the lease between the Skull Valley Band of Goshute Indians, a federally recognized Indian Tribe (Tribe), and Private Fuel Storage, L.L.C., a Delaware limited liability company comprised of several Midwestern utility companies (Lessee Company). The purpose of the lease is to develop, construct, and operate a private, interim, spent nuclear fuel storage facility on a portion of the Skull Valley Indian Reservation. We have also reviewed the Answer submitted by the Lessee Company, as well as the State's response.

We believe your appeal of the Superintendent's decision to conditionally approve the lease is premature. The Superintendent's approval is conditioned upon the successful completion of an environmental impact statement, including the implementation of any necessary mitigation. We disagree with your assertion that the Bureau of Indian Affairs (BIA) may not rely upon environmental documents prepared for the Nuclear Regulatory Commission licensing process. Obviously, the BIA will independently evaluate the environmental impacts disclosed by the environmental impact statement. In addition, the State of Utah will have ample opportunity to intervene and provide its views during both the environmental review and NRC licensing process. See 10 C.F.R. §§2.714 and 2.715(c).

We therefore affirm the Superintendent's decision to conditionally approve the lease. If you choose to appeal this decision, a notice of appeal must be mailed to the Interior Board of Indian Appeals at 4015 Wilson Boulevard, Arlington, Virginia 22203, within 30 days of receipt of this letter. Any notice of appeal should clearly identify the decision being appealed and certify that copies of such notice have been sent to the Assistant Secretary-Indian Affairs, this office, and all other interested parties. Upon receipt of a notice of appeal, the Board will advise the appellant of further appeal procedures. If no interested party appeals this decision, it will become final for the Department of the Interior upon expiration of the appeal period.

If you should have any questions regarding this notice, please contact our office at 602-379-6781.

Sincerely

A handwritten signature in dark ink, appearing to read "Lynette Hanna". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Acting Area Director