

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

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June 20, 1991

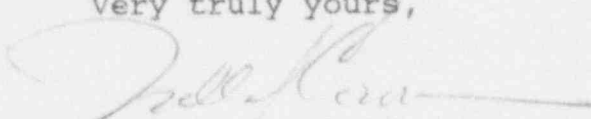
Dennis M. Crutchfield, Director
Division of Advanced Reactors
and Special Projects
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Document Control Desk
Washington, D.C. 20555

Dear Mr. Crutchfield:

We understand the Long Island Lighting Company (LILCO) today is submitting answers to your May 22, 1991 request for additional information on decommissioning funding for Shoreham. We also understand that one of your questions concerns LILCO's continued financial support of the decommissioning process "if the current Site Cooperation and Reimbursement Agreement is found to be illegal or is otherwise invalidated." The purpose of this letter is to provide the Public Service Commission's perspective on that question.

First, the Commission expects the Site Cooperation and Reimbursement Agreement to remain fully in effect. Second, assuming hypothetically that the Site Agreement were to be invalidated, the Commission, in cooperation with the other parties, would use its best efforts to ensure that alternative means of decommissioning Shoreham were put in place promptly. Third, under any such arrangements, LILCO would remain responsible for funding the decommissioning. Finally, if LILCO enters into an arrangement with a third party designated by LIPA, as described in LILCO's answers to your questions, the Public Service Commission would remain committed to the effectuation of the Shoreham Settlement, including, as indicated in my letter of April 11, 1991 to Dr. Murley, taking the steps necessary to ensure LILCO's access to and recovery of funds necessary for decommissioning.

Very truly yours,


WILLIAM J. COWAN
General Counsel

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