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January 22, 1992

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Charles E. Mullins, Esq.
Office of the General Counsel
Mail Stop 15-B-18
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Docket No. 50-322-OLA-3

Dear Mr. Mullins:

You have asked whether the Shoreham-Wading River Central School District ("School District") and others have filed or intend to file an action in the New York State Courts to determine whether the Long Island Power Authority ("LIPA") has ceased to exist by operation of law.

As you also requested, I am putting my oral answer to that inquiry in this letter and serving it upon all parties interested in the application for license transfer proceeding in accordance with the attached service list.

The answer to the question is: The School District's New York State counsel currently has such an action under advisement as a result of LIPA's recent attempt to convert the School District's identification of a significant issue into a School District burden of proof. However, it is the School District's New York State counsel's view that, as part of its burden as the applicant, LIPA bears the burden of proof of going forward and of convincing your Commission of LIPA's continued existence by seeking and obtaining a judgment from the New York State Courts that Public Authority Law § 2828 has not terminated LIPA automatically as of January 15, 1992. This crucial question

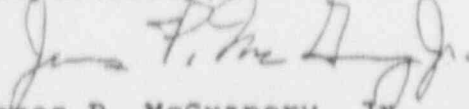
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Charles E. Mullins, Esq.
January 22, 1992
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of New York State law cannot be resolved by your Commission but requires a final judgment from a court of general jurisdiction.

Respectfully,



James P. McGranery, Jr.

Counsel for Shoreham-Wading River
Central School District and
Scientists and Engineers for Secure
Energy, Inc.

JPM:jm

cc: ace List

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE COMMISSION

In the Matter of)

LONG ISLAND LIGHTING COMPANY)

(Shoreham Nuclear Power Station,
Unit 1))

) Docket No. 50-322-OLA-3

) (Application for
) License Transfer)
)
)

CERTIFICATE OF SERVICE

I hereby certify that copies of the Petitioners' Counsel's Letter to Charles E. Mullins, Esq., dated January 22, 1992 in the above-captioned proceeding have been served on the following by first-class mail, postage prepaid on this 22nd day of January, 1992:

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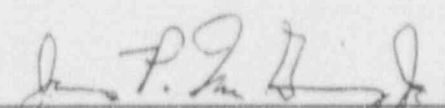
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The Honorable Samuel J. Chilk
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