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July 5, 1984

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U. S. Nuclear Regulatory Commission  
Washington, D.C. 20555

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Dear Dr. DeYoung:

We are informed that you have received a letter, dated June 29, 1984, from Alabama Electric Cooperative, Inc. ("AEC") requesting enforcement action against Alabama Power Company ("APCO") for what is alleged to be a "willful and continuing violation of Antitrust License Condition No. 2" contained in the operating licenses for the Joseph M. Farley Nuclear Plant, Units 1 and 2.

These allegations are unfounded. There is indeed a disagreement between APCO and AEC concerning the interpretation of the referenced license condition. However, APCO's position on interpretation of the license condition has been reached, and its negotiations with AEC have been conducted, in good faith. In an effort to resolve the differences in interpretation of the license condition, APCO has submitted to the Commission, on July 3, 1984, the enclosed Petition for a Declaratory Order. We believe that declaratory proceedings would lead to the most efficient, expeditious and definitive resolution of APCO's and AEC's differences over interpretation of the license condition, a result that APCO, at least, desires. In our Petition (footnote 5) we note that issuance of a declaratory order would not preclude you, or any other official to whom authority is delegated by the Commission, from instituting enforcement proceedings thereafter if punitive action against APCO appears to be warranted. That decision would be made, however, with the benefit of the interpretation provided by the Commission's declaratory order.

Accordingly, APCO respectfully requests that consideration of AEC's request for enforcement action be held in

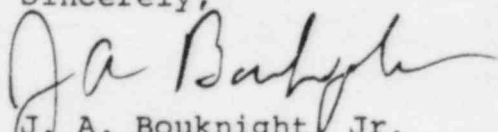
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abeyance until the Commission has acted on APCO's Petition for a Declaratory Order. At such time as consideration of action on AEC's request begins, APCO asks that it be informed and afforded an opportunity to reply fully to the allegations contained in AEC's letter.

Sincerely,



J. A. Bouknight Jr.  
Attorney for Alabama Power  
Company

cc: Chairman Palladino  
Commissioner Roberts  
Commissioner Bernthal  
Commissioner Asselstine  
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