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November 14, 1984

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Anthony Roisman, Esquire
Executive Director
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2000 P Street, N.W.
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Washington, D.C. 20036

Re: In the Matter of Texas Utilities
Electric Company, et al. (Comanche Peak
Steam Electric Station, Units 1 and 2)
Docket Nos. 50-445-2 and 50-446-2

Dear Tony:

Our November 5, 1984 brief supports Mr. Lipinsky's right to claim attorney/client privilege with respect to several documents that were withheld from the document productions made by O.B. Cannon & Son, Inc. on October 18 and 19. During our conversation yesterday, you sought clarification of the factual background that led to the attorney/client relationship between Mr. Lipinsky and Messrs. Reynolds and Watkins. The purpose of this letter is to provide that information based on my conversation with Mr. Lipinsky this morning.

Mr. Lipinsky requested legal representation of Mr. Reynolds and his firm on November 29, 1983. The representation was limited to the matter of NRC's request (Region IV) to take Mr. Lipinsky's deposition. The matter of fees was discussed during a telephone conversation on November 30. Mr. Lipinsky was told that he would not be billed for the legal services. He was advised that either O.B. Cannon or Texas Utilities would assume responsibility for the costs. Mr. Lipinsky later learned in early November 1984 that Cannon had assumed responsibility for the payment of legal fees resulting from Mr. Lipinsky's representation.

On November 30, 1983, Mr. Lipinsky and Mr. Reynolds discussed the potential for a conflict of interest associated with Mr. Reynold's representation. Mr. Lipinsky was advised (a fact he already knew) that Mr. Reynolds represented Texas Utilities in the Comanche Peak licensing case. Mr. Lipinsky

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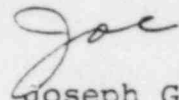
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Anthony Roisman, Esquire
November 14, 1984
Page 2

was advised that a conflict could arise if during the NRC deposition, Mr. Lipinsky's testimony was detrimental to the interest of Texas Utilities. Mr. Lipinsky was advised that if this occurred, Mr. Reynolds would immediately interrupt the deposition and withdraw his representation. Mr. Lipinsky understood the situation as explained above, and he accepted the Reynolds, et al., representation on that basis.

Mr. Watkins' only involvement was to represent Mr. Lipinsky during the deposition on January 4, 1984. Since Region IV did not inquire of Mr. Lipinsky after January 4, 1984, no further representation with respect to this matter by Reynolds and Watkins has occurred since that time.

Sincerely,


Joseph Gallo

JG:sv

cc: Service List

Letter mailed on November 15, 1984