



PUBLIC  
SERVICE  
INDIANA

S. W. Shields  
Vice President - Electric System

ATTACHMENT 2

August 31, 1979

Mr. Victor Stello, Jr.  
Director, Office of Inspection  
and Enforcement  
United States Nuclear Regulatory  
Commission  
Washington, D.C. 20555

Re: Docket Nos. 50-546, 50-547

Dear Mr. Stello:

On behalf of Public Service Company of Indiana, Inc. and Wabash Valley Power Association, Inc. ("Licensees"), I am submitting this letter in response to the "Order Confirming Suspension of Construction" issued by you on August 15, 1979.

Licensees accept the terms and conditions set forth in part IV of your Order. Licensees intend to comply fully with part IV and are working diligently to do so.

Since it is our intention to comply with part IV of your Order in all respects, Licensees do not contest the truth of the allegations contained in parts II and III of the Order. With respect to the items of noncompliance listed in Appendix A, it is our understanding that Appendix A contains preliminary findings that will be confirmed in formal correspondence and inspection reports to be issued by Region III. Upon receipt of such formal identification of specific noncompliance items, Licensees will respond fully in accordance with the provisions of 10 C.F.R. Part 2.

Part V of your Order creates the possibility of a public hearing concerning the validity of the Order. Licensees see no need to conduct a public hearing and do not request one. There are no issues to be considered at such a hearing in view of the fact that Licensees agree that the Order

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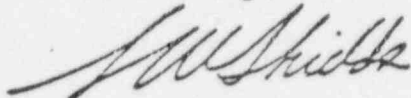
Mr. Victor Steffen, Jr.

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should be sustained and do not contest the facts upon which it is based. Licensees, however, reserve the right to respond to any request for a public hearing filed by a third party.

Sincerely,

  
S. W. Shields

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cc: Mr. James G. Keppler  
Thomas M. Dattilo, Esq.  
Mr. John A. Eyed

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