# The Shoreham Issue Is Heating Up

By Christine Frankland

**Attorney Victor John Yannacone Jr (Yannacone & Yannacone, Patchogue), who initiated the *Agent Orange* case, the largest personal injury case in history, said in an exclusive *LIBNews* interview that LILCO is exposing itself to a Class Action Suit by putting all its ratepayers at risk of disaster, effective the moment its shareholders vote in Deal II.**

Ratepayers are at risk, Yannacone said, because brownouts and blackouts cause such gross property devaluation, partly due to a certain flight of business and industry, that residents stand to lose their houses and stability. Any high tech business suffering cuts in electricity incurrs unsustainable losses and would be too afraid to remain in the region. The resulting loss of jobs and property creates a feedback loop towards economic catastrophe. According to Bernard Cohen, PhD, University of Pittsburg, the risk of poverty reduces life expectancy by ten years. (Living near Shoreham for a period of 40 years is comparatively calculated to be three hours.)

Yannacone, who said that the proper kind of RICO case against LILCO should have been a class action, outlined the procedures of the suit that LILCO will be exposed to:

Competent experts, having associated the damages with Shoreham, which was approved by the NRC (if the plant were opened there would be no power shortage, hence eliminating the risk of disaster), would show cause to remove the LILCO management for acting against public, stockholders' and bondholders' interest. Action will be sought to impose liability on outside directors (non-LILCO officials) for allowing this to happen.

It will be asked that LILCO be placed in receivership, with new management being solicited to properly service the area. (A court would determine which is a good power company, and borrow its management.)

The basic premise of the suit will require LILCO to properly plan to provide adequate "clean, carefully regulated" power to its consumers on LI. This means that

Continued on Page 23



# Shoreham Issue

Continued from Page 1

LILCO must advise municipalities whether new housing can be accommodated.

The rest of the action seeking "declaratory judgment action," focuses on LILCO's obligation to plan for cogeneration of electric power from local municipal waste disposal and new developments.

The company should remain in receivership until it has taken action, and until it has met power demands in a cost-effective manner, Yannacone said.

Two of LILCO's power plants failed last summer, 13 days after they had been required to put out 100% of capacity while the Cross Sound Cable was out of commission for an entire week. A rolling blackout was thus averted only by chance. However, demands are projected to increase this summer.

Yannacone, decrying the LILCO management, said "As a ratepayer, I would not tolerate from LILCO and its present management to rip us off by not supplying adequate power," referring to what he called the "thumb your nose notice" (LILCO's public announcement that "luck" and cool weather are needed for ratepayers to get their commodity.)

Yannacone, bitterly opposed to the Shoreham expense being in the rate base, and to public power, which he said is the most inefficient way to deliver electricty, said that LILCO's original decision to acquire Shoreham was based on their rate structure, which allowed them to charge more for capital investment but permits no bonus for getting bigger.

A recent *Wall Street Journal* editorial, urging the opening of Shoreham, claims "LILCO and NYS struck a deal to kill off Shoreham in exchange for financial benefits for the company," and while the NY politicians and anti-nuclear activists achieved their immediate aims, "the possible costs to the nation appear to be generating a pro-Shoreham backlash....According to experts, the nation faces a clear choice, "Even with a strong push for conservation, it must build either big, new fossil fuel power plants, perhaps as many as 200, which are certain to poison the atmosphere - or nuclear plants..." (due to the gases they emit, fuel power plants would add to the global warming trend. This would cause polar icecaps to melt, resulting in ocean flooding.) The choice is being muddled, claimed the editorial, by a public which erects irrational barriers to nuclear power. Since the Three Mile Island accident, in which "negligible amounts of radioactive gas" was released, not one nuclear power plant has been ordered in the US, and in addition, 65 plants have been cancelled.

The editorial reiterates the often cited predictions of power reductions and blackouts, accompanied by the inevitably resulting exodus of businesses, loss of jobs, surge in property taxes, and, as tax revenues dwindle, a cutback in government services such as education. The *Journal* reported that even David Willmott, the anti-Shoreham editor of *Suffolk Life*, confessed "I'm frightened for the future," conceding that Three Mile Island's next victim will be the LI economy. It quotes US Energy Secy James Watkins calling the deal to close Shoreham an Alice-In-Wonderland decision that is totally contrary to calls for action on global warming and concerns about declining utility reserve margins in the Northeast.

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