

PDR



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

October 23, 1989

CHAIRMAN

The Honorable W. Henson Moore
Deputy Secretary of Energy
Washington, D.C. 20585

Dear Mr. Moore:

I am responding to your letter of August 15, 1989, concerning reduction in staffing and maintenance at the Shoreham facility. Many of the concerns you raised were also expressed by Secretary Watkins in his letter of July 27, 1989. As I am sure you know, I responded to the Secretary on September 15, 1989.

Subsequently, the Nuclear Regulatory Commission (NRC) staff met with representatives of the Long Island Lighting Company (LILCO) on September 28, 1989. The purpose of that meeting was to discuss in greater detail LILCO's September 19, 1989 letter (enclosed), in which the utility made firm commitments to maintain all systems required for safety in the defueled mode in fully operable status; to preserve, on a cost-effective basis consistent with NRC regulations and LILCO's license obligations pending plant disposition, all systems required for full-power operation of the facility, with such maintenance and custodial services and appropriate documentation as may be necessary to ensure such preservation; and to maintain an adequate number of properly trained staff to ensure plant safety in the defueled state, including the ability to cope with malfunctions, accidents, and unforeseen events. LILCO's plans to maintain its Emergency Plan and Local Emergency Response Organization (LERO) were also discussed.

In view of these commitments and the team inspection of the Shoreham facility conducted by the NRC staff during the week of September 18-22, 1989, the Commission continues to believe that issuance of an order to halt ongoing activities at Shoreham is neither necessary nor appropriate at this time. The NRC is continuing to monitor LILCO's activities to ensure that the commitments it has made with respect to Shoreham are being satisfied and that the conditions and requirements of the Shoreham license and NRC regulations are being met.

Sincerely,

Kenneth M. Carr
Kenneth M. Carr

Enclosure:
As stated

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LONG ISLAND LIGHTING COMPANY

EXECUTIVE OFFICES: 175 EAST OLD COUNTRY ROAD • HICKSVILLE, NEW YORK 11801

ANTHONY F. EARLEY, JR.
PRESIDENT AND CHIEF OPERATING OFFICER

September 19, 1989

Dr. Thomas E. Murley, Director
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D.C. 20555

LILCO's Response to the August 30, 1989 Letter
From NRC (T. Murley) to LILCO (A. F. Earley, Jr.)
Shoreham Nuclear Power Station - Unit 1
Docket No. 50-322

- Ref: (1) NRC (T. Murley) letter to LILCO (A. F. Earley, Jr.)
dated August 30, 1989
(2) LILCO (W. E. Steiger, Jr.) letter SNRC-1626 to NRC
(W. T. Russell) dated August 31, 1989; subject:
"Staffing Report"
(3) LILCO (A. F. Earley, Jr.) letter to NRC (W. Russell),
dated July 5, 1989

Dear Dr. Murley:

LILCO hereby presents its written response to your letter of
August 30, 1989 to me (reference (1)).

1. LILCO's Intentions Regarding
Plant Equipment and Staffing

Your August 30 letter requested LILCO's intentions and
assurances with respect to three specific aspects of plant
equipment and staffing at Shoreham pending NRC authorization of
decommissioning or other disposition of the facility. LILCO
responds as follows:

- (1) Systems required for safety in the defueled
mode will be maintained in a fully OPERABLE status

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pursuant to existing technical specifications. The term OPERABLE is discussed more fully in ¶ 2A below.

(2) Systems not required for safety in the defueled mode at Shoreham but necessary for full-power operation will be protected on a cost-effective basis consistent with NRC regulations and LILCO's license obligations pending plant disposition. Depending on their function, such systems will be classified and maintained as OPERABLE, or as FUNCTIONAL or PROTECTED as defined in ¶ 2A below, in accordance with a three-phase program involving (1) development of a conceptual plant configuration, (2) development of a specific lay-up program, and (3) program implementation. This overall program is described in greater detail in ¶ 2 below.

(3) An adequate number of properly trained staff to ensure the health and safety of the public in the defueled state will be maintained, as stated more fully in ¶ 3 below.

LILCO reserves its right to modify these and other existing activities by, as appropriate, analyses pursuant to 10 CFR § 50.59, requests to alter license and technical specification provisions pursuant to 10 CFR § 50.90, or other means permitted by the Commission's regulations.

2. Further Description of Treatment of Systems Not Required for Safety in the Defueled Mode

LILCO has designed a systematic program for the equipment in the Shoreham plant during the reasonably anticipatable duration of NRC proceedings concerning disposition of its operating license for the plant. The three phases of this program are described below.

A. Conceptualized Plant Configuration

Development of the necessary conceptualized plant configuration is now complete. This phase consisted of a technical specification applicability review, system review and categorization, and an extensive review and approval cycle. The technical specification applicability review, preliminarily conducted by Operations Section personnel along with the Plant Manager, conservatively considered that with the fuel in the spent fuel storage pool, most Limiting Conditions for Operation ("LCOs") in the technical specification for OPERATIONAL

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CONDITIONS 4, 5 AND *¹ would be applicable. Additionally, the "at all times" and "whenever" LCOs applied.

Subsequently a further, more detailed evaluation was conducted by a task force of System Engineers, Cognizant Site Engineers and On-shift Operations Advisors expending over 4,000 man-hours to develop a detailed plant configuration plan conforming with license requirements for the defueled condition. Included in this process were the evaluation and incorporation, as applicable, of commitments identified during the USAR/FHAR review by the Nuclear Operations Support Department (NOSD). Plant systems were then categorized as either required to be OPERABLE or not. Those systems which were designated as not required to be OPERABLE were categorized as FUNCTIONAL or as PROTECTED. This determination was fully reviewed to complete comment resolution by a Review of Operations Subcommittee and approved by the full Review of Operations Committee. The NRC Senior Resident Inspector was cognizant of the process and attended pertinent meetings.

As used in this discussion, the term OPERABLE is defined in Section 1.26 of the SNPS Technical Specifications. ACTION requirements in the Technical Specifications will be adhered to in the event a system required for safety becomes inoperable.

The term FUNCTIONAL refers to essential support systems not required to be OPERABLE by technical specifications for the current plant condition but necessary for various plant functions and habitability concerns. FUNCTIONAL systems differ from OPERABLE ones in that technical specification requirements apply only at higher operational modes and, therefore, need not be maintained current; or there are no technical specification which apply to the system in question.

PROTECTED systems are those not to be operated in the defueled mode. These systems will be left in a deenergized safe state and layed-up in accordance with System Lay-up Implementation Package (SLIPs), which specify maintenance and custodial services necessary to protect them pending disposition of LILCO's operating license. These SLIPs, which are being developed for each affected system and will be available for

¹Operational condition "*" involves fuel movement in secondary containment.

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Staff review at the Shoreham site, are described in the following paragraphs.

The results to date of this evaluation are as follows:

- a) 40 systems remain OPERABLE;
- b) 42 systems are to be maintained FUNCTIONAL;
- c) 43 systems are to be PROTECTED.

B. Lay-up Program Development

LILCO's plant management established a Lay-up Task Force with the charter of developing a program that will be consistently applied to each of the PROTECTED systems. The intent of the program is to maintain these systems, in accordance with appropriate system-by-system criteria, for the reasonably anticipatable duration of NRC proceedings on the disposition of LILCO's operating license for Shoreham. The Lay-up Task Force is comprised of members with broad expertise. The systems engineer, compliance engineer, radiochemistry engineer and nuclear engineer are members of the task force.

The development process consisted of researching industry reference documents such as EPRI NP-51068, conducting utility surveys and holding working meetings to discuss essential program elements. As a result, the Task Force developed the guidelines and instructions for the preparation of system lay-up implementation packages, the ingredients of system lay-up packages, guidelines for dry lay-up of systems, an administrative approval process for a SLIP, a system lay-up schedule, and the long term monitoring program which is still under development.

To the maximum extent practical the task force utilized existing programs and procedures which govern plant activities. As a minimum each System Lay-up Implementation Package consists of:

- 1) A safety evaluation
- 2) A maintenance work request
- 3) An approval cover sheet
- 4) Marked-up system boundary drawing(s)
- 5) Valve lineup checklist
- 6) Component power supply checklist
- 7) Annunciator listing
- 8) Lifted lead and jumper permit (as required)
- 9) Specific narrative instructions (as required)
- 10) Special lay-up instructions (as required).

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Once a SLIP is prepared, it is reviewed by a subcommittee of the Review of Operations Committee (ROC) and the full ROC, and approved by the Plant Manager. The package is then ready for implementation.

C. Lay-up Program Implementation

When a SLIP is ready to be implemented, it will be reviewed to determine the extent to which special lay-up equipment is required. It will then be forwarded to the Work Planning and Scheduling Group. This group will ensure that the necessary permits are obtained (e.g., radiation work permit or station equipment clearance permit) and a quality control review is performed. Actual implementation of the SLIP will be performed by qualified operations and maintenance personnel. A copy of the SLIP will be filed in the Shoreham records retrieval system.

3. LILCO's Plans to Assure an Adequate Number of Properly Trained Staff

Because LILCO cannot compel qualified nuclear personnel to remain with the Company, we have taken steps to offer them careers elsewhere in the organization to retain their expertise. LILCO's Chairman, Dr. William Catacosinos, has assured each and every person at Shoreham that they are LILCO employees, not just Shoreham employees. As a result, they were guaranteed that they would have positions with the Company no matter what the outcome of the Shoreham controversy. This guarantee was most helpful in assuring the maintenance of a qualified staff during the past 18 months. Recently, we have reassigned personnel who are not needed at Shoreham at this time to other positions in the Company.

At present, LILCO believes that it has an adequate number of properly trained staff at Shoreham. If further losses beyond LILCO's control make it necessary to transfer former Shoreham personnel back to the plant, LILCO fully intends to do so. We are also prepared to hire qualified consultants and contractors if necessary.

4. Emergency Preparedness and LERO

Your August 30 letter requested LILCO to discuss its plans for maintaining the approved Shoreham Emergency Plan and the LERO organization. As has been discussed at the July 28 meeting, there is not any offsite radiological risk associated with the defueled mode at Shoreham justifying maintenance of the Shoreham Offsite Radiological Emergency Response Plan or of the LERO

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organization. LILCO may accordingly file with the Staff a properly documented, specific request for relief appropriate to the changed level of risk at the plant. Pending such filing and Staff action, however, LILCO will observe its license commitments for offsite radiological preparedness.

LILCO will also maintain its onsite emergency plan and organization, despite the minimal level of risk in the defueled mode, until permission has been granted to amend them, pursuant to a request which LILCO will file with the Staff.

5. Selection of Plant Operating Systems/Staff Levels

The reference (1) letter also requested that written information be provided to describe the process followed by LILCO in selecting the operating status to be maintained for various plant systems in the defueled conditions and the process followed in determining the intended staffing change. As promised, reference (2), SNRC-1626, provided that information.

6. Other Matters

On July 5, LILCO formally confirmed to the NRC, via Reference (3), that its agreement with New York State regarding Shoreham had become fully effective and that LILCO was prohibited by it from ever operating the Shoreham plant. That letter also confirmed to the Commission that LILCO intended, pursuant to that agreement, to transfer the plant to a qualified entity of New York State as quickly as practicable, and that LILCO would be taking, in the meantime, certain steps to place and maintain the plant in a safe defueled condition. New York State authorities have indicated that they intend to obtain the NRC's permission to decommission the plant rather than operate it. LILCO also reiterated its intent to abide by all of its obligations to the NRC pending that transfer. Those remain LILCO's goals.

The first, central aspect of Reference (3) was LILCO's intention never to operate the Shoreham plant pending transfer to a qualified entity of New York State. Numerous of the remaining steps to such transfer could be expedited, in LILCO's view, by a formal recognition of that fact. LILCO urges the Commission, in its discretion, to issue a directive prohibiting LILCO from operating or refueling the plant, or from placing it in any situation which could cause a hazard to the health and safety of the public, pending such disposition, if the Commission concurs

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that such a directive would facilitate LILCO's obtaining relief from remaining obligations which are appropriate only in the anticipation of future operation.

Very truly yours,

Anthony F. Earley, Jr.

Anthony F. Earley, Jr.
President and
Chief Operating Officer

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The Deputy Secretary of Energy
Washington, DC 20585

August 15, 1989

Admiral Kenneth M. Carr
Chairman, Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Admiral Carr:

On July 27, 1989, Admiral Watkins wrote to you regarding the status of the Shoreham nuclear power plant and, among other things, expressed his concern about reports that LILCO was planning to take actions which, in effect, would initiate the decommissioning process for Shoreham prior to formal NRC approval through the license amendment process. In this regard, Admiral Watkins emphasized that the Department would support the issuance by the Commission of an immediately effective order to prevent de facto decommissioning of the facility.

While I realize that the Commission must be permitted to consider carefully the requests for extraordinary action pending before it, time is a commodity which, in the present circumstances, is in short supply. As you know, on July 20, 1989, LILCO informed the Commission of major organizational changes which constitute the first step in dismantling the Shoreham organization by removing from their positions key members of the senior management team which has been responsible for plant operations. Further, LILCO made clear in its July 28, 1989 briefing of the NRC Staff its intention to complete a major destaffing which has already begun at the facility. A significant reduction in systems maintenance will also apparently take place at Shoreham following the completion last week of defueling. In addition, the entire LILCO offsite emergency response organization will apparently be dismantled.

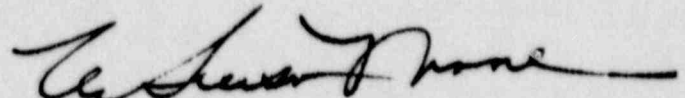
Clearly, the parties to the Shoreham agreement consider these actions to be the commencement of the decommissioning process. The Department believes that before the Commission permits the dismantling of Shoreham to proceed de facto in this manner, the environmental review required by NEPA should be carried out through the preparation of an Environmental Impact Statement. In this regard, NRC regulations provide that no action concerning a proposal is permitted prior to completion of the NEPA process if such action would "limit the choice of reasonable alternatives." 10 CFR 51.101(a)(1). There can be no doubt that the choice of alternatives would be limited by allowing LILCO to take actions which effectively disable the plant and place it in a condition in which its restoration to safe operating status could take up to three years. In addition, by taking no action to preserve the status quo until it has determined how it will discharge its NEPA responsibilities, the Commission is allowing the license amendment process to be circumvented and abused by permitting LILCO to effectively achieve "possession-only" license status without formally applying for and receiving the required NRC approval.

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On July 20, 1989, the Director of Nuclear Reactor Regulation, in his interim response to a petition filed by the Shoreham-Wading River Central School District, justified his refusal to take immediate action to prevent destaffing of Shoreham on the grounds that the "destaffing of the plant will not be implemented until early August." The Director further stated that the NRC Staff's evaluation of the staffing changes would be completed by the end of July. However, the Staff's evaluation is apparently not yet complete, early August has come and gone, and the destaffing of the facility together with a reduction in systems maintenance has already begun. Thus, to the extent that requests for immediate action to prevent de facto decommissioning of the facility were thought to be premature on July 20, that position is no longer tenable.

Given the management changes and the significant reductions in staffing and maintenance which have already taken place or are imminent, the Department urges the Commission to prevent action by LILCO which would prejudice the outcome of the Commission's consideration of Admiral Watkins' July 27 letter and the petitions for action which are now before it. On behalf of the Department, I therefore urge that the Commission consider taking action to prevent further reductions in staffing and maintenance at Shoreham until such time as the Commission is prepared to address the issues raised in Admiral Watkins' letter and the pending petitions. Taking such action on an interim basis would prejudice no one and would allow an orderly decisionmaking process to be conducted and completed. In view of the critical importance and complexity of the issues involved, and the prejudice to the environmental review which would occur should the alternative of near-term operation of Shoreham operation be precluded by staffing and maintenance reductions, such temporary action by the Commission is fully justified.

Sincerely,



W. Henson Moore
Deputy Secretary

cc: Commissioner Thomas M. Roberts
Commissioner Kenneth C. Rogers
Commissioner James R. Curtiss