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December 7, 1979

HAND DELIVERED

Stephen F. Eilperin, Esq.
Nuclear Regulatory Commission
Office of General Counsel
1717 H Street, N.W.
10th Floor
Washington, D. C.

Re: City of Lancaster, et al. v. U.S.
Nuclear Regulatory Commission, et al.,
C.A. No. 79-1368

Dear Steve:

Enclosed is a draft settlement agreement proposed
by counsel in Lancaster.

After you have had a chance to review the enclosure,
you should contact counsel in Lancaster for further discussion.

With best regards,

Yours sincerely,


Reed L. von Maur

Encl.

8212020109 791207
PDR ADOCK 05000320
G PDR

Asst au
Sup

SETTLEMENT AGREEMENT

Made this _____ day of December, 1979, between the following parties: City of Lancaster ("City"), City of Lancaster Authority, Albert B. Wohlsen, Jr., United States Nuclear Regulatory Commission ("NRC"), and Metropolitan Edison Company, Jersey Central Power & Light Company, and Pennsylvania Electric Company (the "utilities").

WHEREAS:

A. The parties are engaged in litigation in the U.S. District Court for the District of Columbia (City of Lancaster v. United States Regulatory Commission, Civil Action No. 79-1368) (the "litigation");

B. The parties desire to reach an amicable settlement of this litigation.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this agreement, the counsel for the parties, specifically representing that each is acting as agent for a principal and has authority to bind such principal to the terms of this agreement by executing this agreement in his capacity as agent and representative, do hereby agree for the parties, their successors, principals and assigns, intending to be legally bound, as follows:

1. The NRC will prepare an environmental impact statement ("EIS") covering the entire clean-up of all the consequences

of the accident referred to in the litigation at Three Mile Island, Pennsylvania ("TMI"), and the NRC will give particular attention in the preparation of this EIS to the disposal of accident-generated water. Accident-generated water as used in this Settlement Agreement means wastewater referred to in the Complaint in the litigation as well as any waters which may have been or may hereafter be accumulated at TMI and relating to the consequences of the accident, including washdown water. The utilities will not object to the preparation of the EIS, regardless of its scope or timing.

2. No wastewater will be discharged from TMI during 1979, 1980 or 1981, or until 30 days after the Final Environmental Impact Statement (together with comments) has been furnished to the U.S. Environmental Protection Agency and commenting agencies and has been made available to the public.

3. The utilities will make and provide supporting data for proposals to the NRC that all accident-generated water be stored and used on site at TMI until at least 1982. If all such proposals are approved by the NRC, the plaintiffs will execute a stipulation of discontinuance, and will consent to an order dismissing plaintiffs' complaint with prejudice.

4. The utilities will pay the City an amount sufficient for the cost of installation and the operation and maintenance costs of a radioactivity monitoring system to be chosen by the City for monitoring water from the Susquehanna water plant

operated by the City, said operation and maintenance costs to be paid directly to the utilities until all nuclear reactor units at TMI are decommissioned. Operation and maintenance costs shall include wage and benefit costs of any additional employees required for the operation of the monitoring system.

5. Concerning the disposal of accident-generated water, the NRC will --

(a) Give the City at least 30 days actual notice in advance of each Commission meeting relating to any planned disposal;

(b) Grant, upon the City's request, a hearing on such disposal of the type provided for under 42 U.S.C. §2239(a); and

(c) Enter a final order subject to judicial review under 28 U.S.C. §2342(4).

6. All parties will request the Court to stay proceedings in the litigation until the NRC rules on (approves or disapproves) the utilities' proposals recited in §3 above.

IN WITNESS WHEREOF, the parties hereto have executed this agreement by their duly authorized representatives:

Dates:

UNITED STATES DEPARTMENT OF JUSTICE
9th Street and Pennsylvania Avenues
Washington, D. C. 20530

By: _____
Nancy Stanley, Esquire

Counsel for United States Nuclear
Regulatory Commission

UNITED STATES NUCLEAR REGULATORY
COMMISSION
1717 H Street, N.W.
Washington, D. C. 20006

By: _____
Stephen F. Eilperin, Esquire
Office of General Counsel

SHAW, PITTMAN, POTTS & TROWBRIDGE
1800 M Street, N.W.
Washington, D.C.

By: _____
Mark Augenblick, Esquire
Counsel for Intervenor-Defendants

Reed L. von Maur, Esquire

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Washington, D.C. counsel for
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City of Lancaster
City of Lancaster Authority
and Albert B. Wohlsen, Jr.

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115 East King Street
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(717) 299-5201

By: _____
Donald E. LeFever, Esquire
Christopher W. Mattson, Esquire
James A. Humphreys, III, Esquire
Counsel for Plaintiffs

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CENTRAL FILE

JTCOLLINS

December 28, 1979

MEMORANDUM FOR: R. H. Vollmer, Director, TMI Support
FROM: J. T. Collins, Deputy Director, TMI Support
SUBJECT: PROPOSED DRAFT SETTLEMENT IN CITY OF LANCASTER,
ET AL V NRC NO. 79-1368

I have reviewed the draft settlement, subject as above, and Steve Eilperin's memo to you of December 19, same subject, and I have the following comments.

1. Definition of "accident generated water".
Those waters:

- a. That existed in the TMI-2 Auxiliary, Fuel Handling, and Containment Buildings including the Primary System.
- b. That have a total activity of greater than 1uCi/ml prior to processing.
- c. That contain greater than 0.025 uCi/ml of tritium before processing.
- d. Non-Accident water used for flushing or decontamination that commingle with "accident generated water".

I concur with Eilperin's comment that the programmatic environmental impact statement should refer to and be no broader than what is promised in the Commission's policy statement.

2. Under no circumstances should we commit on an absolute basis to no discharge of water through 1981. Met-Ed is suppose to provide us by the end of January a report which demonstrates their capability to retain processed water on site for this two year period. Prior to making any commitment, the staff should independently evaluate the licensee capability.
- 3-4: Items 3 & 4 are utility related, however, Bob Arnold has informed me that Met-Ed will provide a monitor satisfactory to the utility and commit to maintain it for the recovery period not for the entire life of the plant.
5. Item 5 is a legal question to be handled by OGC.

J. T. Collins
Deputy Director
TMI Support

cc: S. Eilperin TMI

JTCollins:si

12/ /79

8001160622



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

December 19, 1979

MEMORANDUM TO: Dick Vollmer, AD/SEP, NRR
FROM: Stephen F. Eilperin, *Solicitor*
SUBJECT: PROPOSED DRAFT SETTLEMENT IN CITY OF LANCASTER,
ET AL. V. NRC, No. 79-1368

*< 1 uCi/ml Power To process
225 uCi/ml before treatment
1/80
clean up water
water in the plant
prior to E-2 startup.
is mixed w/ accident
water*

The City of Lancaster has sent us a December 7 draft settlement agreement which I would appreciate your comments on. Since I was away on vacation, this is the first chance I have had to send you the City of Lancaster proposal.

I have the following problems with the proposed agreement. My comments are keyed to the City of Lancaster paragraph numbers.

- Our commitment on a programmatic environmental impact statement should refer to and be no broader than what is promised in the Commission's policy statement. Additionally, "accident generated water" is probably too broadly defined. I would especially appreciate your thoughts on how best to define "accident generated water".
- I do not think that we can commit on an absolute basis to no discharge of water through 1981. We have to have some allowance for emergencies. Additionally, the Commission held out the possibility that it would take interim action, e.g., purging gases or processing high level waste water, prior to completion of the programmatic impact statement. I do not think we can have a flat-out commitment that no action will be taken until a programmatic statement is completed.
- & 4. These seem to be of concern to the utility and not to us. Probably 1982 should be defined more precisely as January 1, 1982 and there seems to be a typo in the second sentence on page 3. The word "to" should be "by".
- Thirty days' notice of Commission meetings seems excessive. Compliance with the Sunshine Act should be all that is required. Most importantly, the kind of hearing that the City of Lancaster would want prior to the disposal of accident generated water is very unclear since 42 U.S.C. 2239(a) provides in different circumstances for adjudicatory hearings or hearings of lesser formality.

at least not stored - how use to utility

Provide moneta had to utility to be used of clean up.

800 1160618

Dick Vollmer

2

I intend to advise the Commission not to settle on the terms proposed by the City of Lancaster. However, since there may be an opportunity to do some further negotiation with the City, I would appreciate your thoughts on the settlement proposal at your earliest convenience.

cc: John Collins, DSE

Enclosure:
Draft Settlement