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POLICY ISSUE
 (Information)

SECY-90-259

July 20, 1990

For: The Commissioners
From: James M. Taylor
 Executive Director for Operations
Subject: STATUS OF THE SHOREHAM NUCLEAR POWER STATION

Purpose: This paper seeks to inform the Commission of recent activities related to the Shoreham Nuclear Power Station, and of related NRC staff actions in accordance with the staff requirements memorandum of April 21, 1989.

Background: In the Commission Policy Paper SECY-90-084 of March 12, 1990, the staff informed the Commission that a meeting with the Long Island Power Authority (LIPA) or the New York Power Authority (NYPA) specifically addressing the issue of decommissioning had not been held. The staff also provided the status of Shoreham site activities, site staffing, and pending relief requests before the staff.

This paper provides the status of the Long Island Lighting Company (LILCO) activities and other NRC staff actions related to the Shoreham facility.

Summary: Recent activities related to the Shoreham facility include the following. The staff held a meeting on May 24, 1990, with LILCO, LIPA, and NYPA concerning the decommissioning of Shoreham and transfer of the license to LIPA. LILCO completed a site radiation characterization of the Shoreham facility to identify items requiring further attention, and has reduced staffing consistent with the facility's current status. The staff has completed all related licensing actions discussed in SECY-90-084, except for LILCO's request for relief from the emergency preparedness requirements and for removal of its operating authority. The matter of removal of operating authority is being held in abeyance pending Commission action on the staff policy paper seeking guidance on the scope of environmental reviews for prematurely shut down plants. In addition, the staff is dividing inspection responsibilities among several persons until a resident inspector is selected for Shoreham.

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Discussion: Meeting With LILCO, LIPA, and NYPA

On May 24, 1990, at a public meeting held at the request of the staff, representatives from LILCO, LIPA, and NYPA briefed the staff on their plans to transfer the Shoreham facility to LIPA and then to seek permission to decommission the facility. The representatives stated that they would submit an application for transfer of the license to LIPA in about a month and a decommissioning plan in about a year. The request for transfer of the license was submitted in a joint application dated June 28, 1990. This application is currently being reviewed by the staff.

Also, Mr. Richard Kessel, Chairman of LIPA, provided a brief history and overview of LIPA. LIPA was created by the New York State Legislature and governor in 1986. It was created primarily to seek a resolution to the entire Shoreham controversy. LIPA began operation in January 1987 and is authorized to acquire all or part of any of LILCO's securities or assets. LIPA is comprised of a board of nine trustees, five appointed by the governor, two by the speaker of the New York State Assembly, and two by the president or majority leader of the New York State Senate. Mr. Kessel further noted that while the LIPA Board plans to maintain a small, full-time staff, LIPA has access to sufficient technical and managerial expertise to receive and possess an NRC license, by an agreement with NYPA. Under this agreement, NYPA would provide these resources by providing certain employees to LIPA, such as Mr. Brons, NYPA's Executive Vice President. These employees will serve as LIPA/NYPA employees for as long as their services are needed or until the Shoreham facility is decommissioned.

A copy of the transcript of the May 24, 1990, meeting is provided as an enclosure. During the meeting, LIPA stated that it would seek approval over the next several months for the transfer of the license regardless of any delays in the action on LILCO's request to modify its full-power operating license to a license for a defueled facility, i.e., a license that contained no authority to operate Shoreham. On May 25, 1990, Mr. Brons of NYPA and representing LIPA called Dr. Murley and stated that LIPA had reconsidered its position and now would only seek the transfer of a license which did not contain authority to operate Shoreham.

Status of LILCO's Site Activities

LILCO has completed an equipment preservation program and a site characterization program, the two major site programs previously reported to the Commission.

During the week of April 30, 1990, the staff conducted a site inspection of the licensee's equipment preservation program. During this inspection, the staff found the LILCO program to be a reasonable approach to prevent gross equipment degradation until transfer of the Shoreham license.

In its site characterization program, conducted for the purpose of generally characterizing the nature of those measures that are likely to be necessary in the overall decommissioning of Shoreham, LILCO reported the following items:

- The reactor pressure vessel, its internal components, and the mirror insulation will have to be removed as part of physical decommissioning. Portions of the biological shield wall may also have to be removed.
- A few general structural areas will require decontamination.
- Six sumps and nine floor drains will require decontamination or removal.
- Portions of nine systems will require decontamination or removal, in part, because of their relatively high levels of radioactive contamination. The most difficult systems to decontaminate will likely be the recirculation, control rod drive, residual heat removal, core spray, and reactor water cleanup systems.
- No soil removal or other remedial activity in regard to the soil is required. LILCO has determined that all detectable levels of radioactivity in the soil were caused by atmospheric nuclear weapons testing or other atmospheric deposition.

Status of LILCO's Site Staffing

LILCO's initial destaffing plan called for a reduction of its onsite staffing to a level of 434 employees. As of May 31, 1990, 376 LILCO employees and 31 contractor employees were on site, which is 27 less than the target in its initial staffing plan. Although LILCO continues to lose experienced and trained personnel from the site, the rate at which these personnel are leaving has been greatly reduced. The NRC staff continues to find that the current Shoreham staffing levels are adequate for the current defueled plant condition.

Status of Pending Requests for Relief

In Commission Policy Paper SECY-90-084, the staff provided the status of 12 requests for licensing action (license amendments

and exemptions) submitted by LILCO. At that time, 7 of the 12 requests for licensing action still required staff action. The staff has since completed action on five of the seven licensing actions that were pending at that time. The two outstanding licensing actions are LILCO's request for relief from the emergency preparedness requirements and its request to have its operating authority removed from Facility Operating License NPF-82. The staff's review of the request for relief from the emergency preparedness requirements is in the final concurrence process and we expect to grant the requested relief in the near future. On the latter action, LILCO has referred to the license it was requesting as a "defueled operating license," and has avoided use of the term "possession only" license. A notice of this request will be published in the Federal Register; the staff has begun the review process for this issue.

LILCO continues to submit other requests for licensing action, including, for example, the June 11, 1990 submittal concerning decommissioning funding. In that submittal, LILCO argues that the requirements of 10 CFR 50.33(k)(2) and 50.75(b) do not apply to Shoreham based on LILCO's Site Cooperation and Reimbursement Agreement with LIPA. In addition, LILCO requested an exemption from these regulations if the NRC did not agree with LILCO's decommissioning funding plan non-applicability arguments. The staff has completed its review of LILCO's submittal. However, because the staff had not considered facilities that would be prematurely ceasing operation (i.e., Shoreham, Fort St. Vrain, Rancho Seco, and Three Mile Island, Unit 2) at the time when 10 CFR 50.33 and 50.75 were promulgated, several policy issues unique to these facilities have emerged. The staff is preparing a separate paper which will seek Commission guidance on these policy issues.

The Shoreham-Wading River School District and Scientists and Engineers for Secure Energy, Inc., have filed petitions to intervene and requests for hearings on matters related to recently granted amendments dealing with plant security and emergency planning, and the Confirmatory Order prohibiting LILCO from placing nuclear fuel back into the Shoreham reactor vessel without prior NRC approval. These matters are before the Commission.

Status of 10 CFR 2.206 Petitions

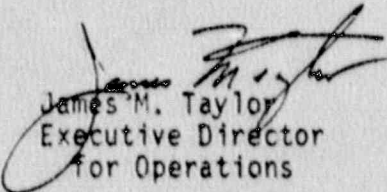
On July 14, 1989, the Shoreham-Wading River School District filed a request, pursuant to 10 CFR 2.206, for the staff to institute a proceeding to require LILCO to cease the defueling and destaffing of the facility. On July 20, 1989, the staff denied the request for an immediately effective cease and desist

order. This 2.206 request was supplemented by letters of July 19, July 21, July 26, and July 31, 1989, and January 23, 1990. In the supplement of July 26, 1989, Scientists and Engineers for Secure Energy, Inc., joined with the School District in the 2.206 request. On August 4, 1989, the Long Island Association filed a 2.206 petition to require LILCO to stop and reverse its destaffing and defueling activities.

The staff determined, based on its review of these petitions and supplements, that a sizable portion of the petitioners' arguments relate to the NRC's responsibilities under the National Environmental Policy Act. The staff is seeking the Commission's guidance on the scope of environmental reviews for prematurely shut down plants (SECY 90-194, May 31, 1990). The staff is withholding action on the pending petitions pending Commission action on its request for guidance.

Status of Site Inspector Position

There is no resident inspector currently assigned at Shoreham. However, the Shoreham senior resident inspector position has been posted. Until a resident inspector is assigned to Shoreham, Region I has assigned a region-based project inspector to monitor site activities and coordinate related NRC activities. The project inspector will spend at least 25 percent of his time on site; the equivalent of an additional 25 percent of an onsite inspector's time will be supplied from a combination of personnel from the Region I and Headquarters offices.


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Executive Director
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Enclosure:

May 24, 1990, Meeting Transcript - Commissioners, SECY, OGC only

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