

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of	)	Docket No. 50-322
	)	
LONG ISLAND LIGHTING COMPANY	)	License No. NPF-82
and LONG ISLAND POWER AUTHORITY	)	
	)	
(Shoreham Nuclear Power Station)	)	

ORDER APPROVING TRANSFER OF LICENSE  
(EFFECTIVE IMMEDIATELY)

I

Long Island Lighting Company (LILCO) is the holder of Facility Operating License No. NPF-82 issued by the U.S. Nuclear Regulatory Commission (the NRC) pursuant to 10 CFR Part 50 on April 21, 1989. The license was amended on June 14, 1991, to remove the authority to operate the Shoreham Nuclear Power Station (SNPS) in accordance with conditions specified therein. The facility is located on the licensee's site in the Town of Brookhaven, Suffolk County, New York.

II

On February 28, 1989, LILCO entered into an agreement with the State of New York to transfer its Shoreham assets to an entity of the State for decommissioning. LILCO, however, continued to pursue with the NRC its request for a full-power license to operate its Shoreham plant. On April 21, 1989, the NRC issued to LILCO a Facility Operating License No. NPF-82, which allows full-power operation of the Shoreham plant. On June 28, 1989, LILCO's shareholders ratified LILCO's agreement with the State. Consistent with the terms of the settlement agreement, which prohibits further operation of the

Shoreham facility, LILCO defueled the reactor and reduced its staff. Transfer of the Shoreham license to the State entity, the Long Island Power Authority (LIPA), requires NRC authorization. LILCO and LIPA submitted a joint request to transfer the SNPS license from LILCO to LIPA in their letter of June 28, 1990. They supplemented this request in letters dated June 13, June 27, October 31, and December 5, 1991.

III

In CLI-92-04 (dated February 26, 1992), the Commission determined that Facility Operating License No. NPF-82 may be transferred from LILCO to LIPA and made immediately effective based on the following conditions: (1) the license would revert to LILCO if LIPA ceases to exist or is otherwise found to be unqualified to hold the license, and (2) LILCO provides certification to the NRC that it will retain and maintain adequate capability and qualification to take over the license promptly in the event that either LIPA ceases to exist or is otherwise found to be unqualified to hold the license.

IV

On February 27, 1992, LILCO submitted a letter in which it certified the following:

LILCO will retain and maintain adequate capability and qualifications to take over the License promptly in the event that LIPA, following receipt of the License, ceases to exist or is otherwise found to be unqualified to hold the License. This also certifies that LILCO understands and accepts that in the event of either of these contingencies, the License would revert to LILCO.

LILCO's certification, as set forth in its letter of February 27, 1992, is acceptable on an interim basis. This Order approving transfer of the license has been conditioned to reflect that the Shoreham license will revert

to LILCO if LIPA ceases to exist or is otherwise found to be unqualified to hold a license. Additional details are required, however, concerning the licensee's certification, specifically details concerning the establishment of contingency plans to be utilized in the event that the Shoreham License should revert to LILCO. A joint contingency plan, approved by both LILCO and LIPA officials, must be submitted and approved by the staff which describes measures to be taken to adequately ensure such matters as appropriate employee and contractor arrangements, maintenance of staff and management qualifications, indemnification coverage, and technical specifications applicability.

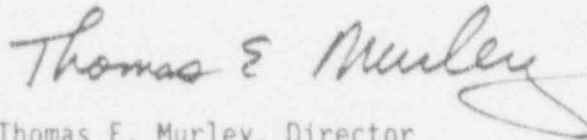
Therefore, the conditions of CLI-92-04 have been satisfied on an interim basis, and the transfer of Facility Operating License NPF-82 from LILCO to LIPA may be approved by this Order and made immediately effective subject to the conditions set forth herein. Further, the staff has determined the proposed transferee is qualified to be a holder of the license and the transfer of the license is otherwise consistent with applicable provisions of law, regulations and orders issued by the Commission.

V

Accordingly, pursuant to Section 103, 161b, and 161i, of the Atomic Energy Act of 1954, as amended, 10 CFR 50.80, and the Commission's Memorandum and Order CLI-92-04, IT IS HEREBY ORDERED, EFFECTIVE IMMEDIATELY, that transfer of Facility Operating License No. NPF-82 from LILCO to LIPA is approved, and LIPA is authorized to undertake the activities and obligations of the Shoreham license in accordance with the Commission's Memorandum and Order CLI-92-04, subject to the following: (1) the license will revert to

LILCO in the event LIPA ceases to exist or is otherwise found to be unqualified to hold the license; (2) LILCO will maintain adequate capability and qualifications to take over the plant in such event; (3a) a joint LIPA/LILCO contingency plan as described above shall be submitted to the Director, Office of Nuclear Reactor Regulation by March 30, 1992; (3b) unless such plan is approved by the Director, Office of Nuclear Reactor Regulation by April 30, 1992, or other date to be determined by the Director, Office of Nuclear Reactor Regulation, the Shoreham license will revert to LILCO; and (4) until otherwise authorized by the Director, Office of Nuclear Reactor Regulation, the facility Technical Specifications currently in effect shall be followed by LIPA.

FOR THE NUCLEAR REGULATORY COMMISSION



Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland  
this 29th day of February, 1992