



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

June 27, 1984

Donald P. Irwin, Esq.
Hunton & Williams
707 East Main Street
P.O. Box 1535
Richmond, VA 23212

In the Matter of
LONG ISLAND LIGHTING COMPANY
(Shoreham Nuclear Power Station, Unit 1)
Docket Nos. 50-322-1 (OL) & 50-322-4 Low Power

Dear Mr. Irwin:

As you requested in your letter of June 18, 1984, ONMSS has reviewed items 1 through 4 on page one of your letter to determine whether any of them contain information required to be protected as safeguards information pursuant to 10 C.F.R. § 73.21(b)(1). A copy of the ONMSS determination in this regard is attached.

Sincerely,

A handwritten signature in cursive script that reads "Bernard M. Bordenick".

Bernard M. Bordenick
Counsel for NRC Staff

Enclosure: As stated

cc w/enclosure:
Michael S. Miller, Esq.

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PDR ADOCK 05000322
6 PDR

ATTACHMENT T



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

November 22, 1983

W. Taylor Reveley III, Esq.
Hunton & Williams
P.O. Box 1535
Richmond, VA 23212

In the Matter of
LONG ISLAND LIGHTING COMPANY
(Shoreham Nuclear Power Station, Unit 1)
Docket No. 50-322 (OL)

Dear Mr. Reveley:

Reference is made to your letter of November 10, 1983 to the Licensing Board, and to Mr. Early's letter of November 17, 1983 to Judge Brenner. In an attachment to Mr. Early's letter it is stated that LILCO's current projected fuel load date is "late first quarter or early second quarter of 1984." Your letter stated: "In light of the diesel generator situation, LILCO believes that, at best, fuel load can occur during the second quarter of 1984." In order to project the work of the Commission it is important to know when LILCO believes it will be able to load fuel.

In connection with Mr. Early's letter, please provide us with the basis upon which LILCO believes all matters involving the diesels (presumably including the failure of the diesel heads, the shearing of the crank shaft, vibration problems, etc., but not problems with the pistons), are ripe for litigation. It is noted that LILCO has not provided a precise statement of the scope or schedule of its review of the basic design of the diesels and its quality assurance audit of their manufacture by Transamerica Delaval Inc. (TDI). The Staff, after referring to problems with TDI diesels and a vendor inspection at TDI, advised the Commission in a Board notification of October 21, 1983 to the Shoreham and other Licensing Boards, that:

The identification of QA problems at TDI, taken together with the number of operational problems and the Shoreham crankshaft failure, has reduced the staff's level of confidence in the reliability of all TDI diesel generators. The staff will require, on a case by case basis, a demonstration that these concerns are not applicable to specific diesel generators because of subsequent inspections or testing performed specifically to address the above matters. Further developments and additional information on this subject will be reported to the appropriate Boards.

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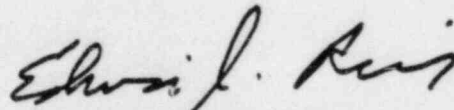
Without completion of the LILCO review and audit of problems in connection with the TDI diesels, the Staff's work cannot be completed.

Although Mr. Early has labeled his letter as a final status report on the TDI diesel matter, we believe it is incumbent upon LILCO to continue to report on its continuing investigation into the cause of the problems with the TDI diesels including its design review, its quality assurance audit, its investigation into the cracked pistons, and any other review it may conduct to assure the adequacy of these diesels.

In connection with your letter, we wish to be advised of all conditions that you alluded to in the phrase "at best," which LILCO believes must be met in regard to the diesels in order to allow fuel load in the second quarter of 1984. Further, we also would like to be advised of any other matters which LILCO believes must be inquired into, including the provision of security upon the loading of fuel, before authorization to load fuel at Shoreham can be granted under the Commission's regulations.

We hope these matters would lead to a realistic projected fuel load date for Shoreham, and a reasonable schedule for further proceedings.

Sincerely,



Edwin J. Reis
Assistant Chief Hearing Counsel

cc: Lawrence Brenner, Esq.
Dr. Peter A. Morris
Dr. Jerry R. Kline
Jonathan D. Feinberg, Esq.
Howard L. Blau, Esq.
Cherif Sedkey, Esq.
Herbert H. Brown, Esq.
Atomic Safety and Licensing
Board Panel
Karla Letsche, Esq.
Edward M. Barrett, Esq.
Marc W. Goldsmith
Mr. Jeff Smith
Hon. Peter Cohalan
John F. Shea, III, Esq.
James B. Dougherty, Esq.
Leon Friedman, Esq.
Ken Robinson, Esq.

Dr. George A. Ferguson
James A. Laurenson
Mr. Frederick J. Shon
Ralph Shapiro, Esq.
Eleanor L. Frucci, Esq.
Stephen B. Latham, Esq.
Ms. Nora Bredes
Atomic Safety and Licensing
Appeal Board Panel
Lawrence Coe Lanpher, Esq.
Mr. Brian McCaffrey
David H. Gilmartin, Esq.
MHB Technical Associates
Mr. Jay Dunkleberger
Docketing and Service Section
Stewart M. Glass, Esq.
Lucinda Low Swartz, Esq.
Spence Perry, Esq.

ATTACHMENT U

Mr. Michael S. Miller, Esq.
 Kirkpatrick, Lockhart, Hill,
 Christopher & Phillips
 Eight Floor
 1900 M Street N.W.
 Washington, D.C. 20036

MAY 11 1984

Dear Mr. Miller:

This is to inform you of a meeting to be held on May 18, 1984, at 9:00 a.m. to 12:00 noon, in the Wilste Building in Silver Spring, Maryland. The purpose of the meeting is to discuss the requirements for an off-site response force during the low-power testing phase of operation of the Shoreham Nuclear Power Station. Because of the status of Suffolk County's previous commitment the necessity to provide such a response force is unclear, we hope that you will attend the meeting to help resolve our concerns. Please contact me if you have any questions.

Sincerely,

A. Schwencer, Chief
 Licensing Branch No. 2
 Division of Licensing

MJC
 DL:LB#2/PM
 RCaruso:bdm
 5/9/84

AS
 DL:LB#2/BC
 ASchwencer
 5/10/84

OELD:Attorney
 BBordenick
 5/10/84

Distribution
 Docket File
 LB#2 Reading
 PCR System
 RCaruso
 CHilton

ATTACHMENT V

KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

1900 M STREET, N. W.
WASHINGTON, D. C. 20036

TELEPHONE: (202) 432-7000

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(305) 574-81181500 OLIVER BUILDING
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(412) 358-6500

May 14, 1984

WRITER'S DIRECT DIAL NUMBER

202/452-7011

BY HAND

Albert Schwencer, Chief
Licensing Branch No. 2
Division of Licensing
United States Nuclear
Regulatory Commission
Washington, D.C. 20555Ecd 9:17
5-15-84

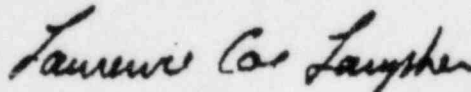
Dear Mr. Schwencer:

We today received your May 11 letter to Mr. Michael S. Miller of this firm which invited him to attend a May 18 meeting concerning security matters related to low power operation of the Shoreham Nuclear Power Station. Mr. Miller is absent from the office and thus I am responding for him.

Suffolk County would like to attend the Staff's meeting. Unfortunately, the three attorneys who have authorization to discuss security matters, Messrs. Brown, Lanpher, and Miller, will be absent from the city on Friday, May 18. Accordingly, we request that you reschedule your meeting for another time so that we can attend.

I have attempted to reach you by phone today to advise you of this matter and hope that after sending this letter we will be able to speak. Please contact me so that we can arrange a new time for this meeting so that we can attend.

Sincerely yours,



Lawrence Coe Lanpher

LCL/jee

cc: M.S. Miller

MAY 11 1984

MEMORANDUM FOR: A. Schwencer, Chief
Licensing Branch No. 2
Division of Licensing

FROM: R. Caruso, Project Manager
Licensing Branch No. 2
Division of Licensing

SUBJECT: FORTHCOMING MEETING WITH LONG ISLAND LIGHTING COMPANY
REGARDING SECURITY PLANNING

DATE & TIME: Friday, May 18, 1984
9:00 a.m. - 12:00 noon

LOCATION: Wilste Building
8th Floor Conference Room
Silver Spring, Maryland

PURPOSE: To discuss the implementation of the security plan for
the Shoreham Nuclear Power Station.

PARTICIPANTS:* NRC LILCO
C. Gaskin R. Reen
R. Caruso et al.
M. J. Campagnone
B. Bordenick

Mari-Josette Campagnone
Mari-Josette Campagnone
for
R. Caruso, Project Manager
Licensing Branch No. 2
Division of Licensing

cc: See next page

DL 1:24/PM
MJC Campagnone:bdm
5/9/84

AS
DL:LB#2/BC
ASchwencer
5/9/84

ATTACHMENT W

Docket No. 50-322

Mr. Lawrence Coe Lanpher, Esq.
Kirkpatrick, Lockhart, Hill,
Christopher & Phillips
1900 M Street N.W.
Washington, D.C. 20036

Dear Mr. Lanpher:

On May 11, 1984, Ms. Campagnone issued a notice of a forthcoming meeting between the staff and LILCo to discuss the implementation of the Shoreham security plan. At the same time, I sent Mr. Miller a personal letter informing him of the meeting.

When we learned that neither you, Mr. Miller, nor Mr. Brown could attend on the 18th, we decided to reschedule the meeting for a later, more convenient time. Ms. Campagnone and Mr. Caruso have since discussed this matter with you several times, but as of May 30 you could not agree to a suitable time.

The staff would like to meet with both the County and LILCo to discuss the security situation, but we will not delay a meeting beyond June 11, 1984. We hope that a representative of the County will be able to attend, but we intend to go ahead with the meeting in any event.

A. Schwencer, Chief
Licensing Branch No. 2
Division of Licensing

cc: See next page

DL 10:22/PM
RC Caruso:bdm
5/31/84

DL:LB#2/BC
ASchwencer
5/ /84

Distribution:

~~XXXXXXXXXX~~
LB#2 Reading
E. Hylton
R. Caruso
M. J. Campagnone

ATTACHMENT X

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

ATOMIC SAFETY AND LICENSING BOARD

Before Administrative Judges

James A. Laurenson, Chairman
Dr. Walter H. Jordan
Dr. Jerry Harbour

In the Matter of)
LONG ISLAND LIGHTING COMPANY) Docket No. 5J-322-OL-2
(Shoreham Nuclear Power Station,) ASLEP No. 82-478-05-OL
Unit 1) (Security Proceeding)

FINAL SECURITY SETTLEMENT AGREEMENT

This Final Security Settlement Agreement (the "Agreement") among Long Island Lighting Company ("LILCO"), the Nuclear Regulatory Commission Staff (the "Staff"), and Suffolk County (the "County"), acting through the Suffolk County Police Department ("SCPD") (hereinafter, collectively, the "parties"), resolves the County's nine security contentions in the Shoreham security proceeding in accordance with the terms stated below, subject to the approval of the Atomic Safety and Licensing Board (the "Board").

Preliminary Statement

A. On April 13, 1982, the County filed a number of security contentions in the Shoreham licensing proceeding. Those contentions, as revised by the County on July 14, 1982, and as summarized by the County for recitation herein, alleged that:

1. LILCO had failed to justify any reduction from the nominal number of 10 armed responders, and its decision to have the minimum number of 5 armed responders was in violation of 10 CFR Section 73.55(h);
2. There was no basis on which to conclude and LILCO had failed to demonstrate the liaison with local law enforcement necessary to comply with 10 CFR Section 73.55(h);
3. LILCO did not comply with 10 CFR Sections 73.1 and 73.55 because it had failed to identify, characterize, analyze, and prepare for the elements of the design basis threat specifically defined in Section 73.1(a)(1);
4. LILCO had failed to demonstrate that its guards were trained adequately to protect the Shoreham

plant against the design basis threat, thereby violating 10 CFR Section 73.55(b) and Part 73, Appendix B;

5. The Staff's analyses of the adequacy of LILCO's security arrangements for Shoreham were inadequate, and provided no basis for a finding that the "high assurance" criterion of 10 CFR Section 73.55(a) was satisfied;
 6. The Shoreham guards' weapons were not adequate against a design basis attacker and LILCO therefore did not satisfy 10 CFR Section 73.55(b) and Part 73, Appendix B;
 7. The secondary alarm station ("SAS") should not have been located in and as part of the control room, but instead, should have been located in an isolated, secure area, with access more limited than that for the control room;
 8. Procedures for the screening and selection of security and other site personnel were inadequate to detect persons who might either be an "insider" or who might be vulnerable to compromise or blackmail, thus violating 10 CFR Section 73.55(b) and Part 73, Appendix B;
- and

9. The security procedures, and in particular the alarm response procedures, were inadequate to provide necessary guidance to LILCO security personnel as to actions immediately necessary to ensure delay and interdiction of design basis attackers.

B. On July 20, 1982, the parties filed direct testimony on the County's nine security contentions. Subsequent to the filing of that testimony, the parties held numerous meetings to consider resolution of the County's security concerns. The status of those meetings was periodically reported to the Board by the parties.

C. During a two-week period beginning September 23, 1982, representatives of LILCO and the County met on no less than seven occasions to discuss resolution of the County's security concerns. On October 8, 1982, LILCO and the SCPD reached an "Agreement in Principle" whereby LILCO agreed to take certain actions necessary to resolve the County's nine security contentions. On October 15, 1982, the commitments and understandings reached between LILCO and the SCPD were submitted in writing to the Board.

D. By this Agreement, LILCO and the County document that each or either of them, as appropriate, has implemented or will implement the actions described below, which respond to the concerns expressed in the County's nine security contentions in the Shoreham security proceeding. The County has determined that these actions, the details of which are described below, respond to and satisfy the County's security concerns and will result in material improvement to the security arrangements at Shoreham.

Accordingly, the County finds that its nine security contentions are resolved.

E. LILCO believes that its security program in existence prior to the execution of this Agreement fully complied with, and in some respects exceeded, 10 CFR, Part 73 and any other provision of law applicable to security at commercial nuclear power facilities. LILCO joins in this Agreement solely because it prefers resolving the County's security contentions through negotiation with the SCPD rather than through the uncertainty of litigation.

F. LILCO and the County understand and agree that the commitments embodied in this Agreement are to be fulfilled and maintained consistent with reasonableness and good faith. With respect to those commitments that LILCO agrees below to implement prior to fuel load, the parties agree that, in the event, for reasons beyond LILCO's control, any such commitments cannot be implemented prior to fuel load, fuel load will not be delayed, and LILCO will implement suitable compensatory measures after consultation with and receiving the concurrence of the SCPD regarding such interim measures.

addressed the concerns stated in Security Contention 9, which the County considers resolved.

X. Implementation of this Agreement, Including Future Changes or Revisions

During the course of the security settlement negotiations, LILCO and the County have consistently made clear that they share a common goal--to ensure the adequacy of security at the Shoreham site. Based upon its review of the Shoreham physical security plan, as well as Shoreham's security procedures, safeguards contingency plan, training and qualification plan, and other security-related documentation, the County has expressed a number of security concerns regarding the Shoreham plant. The County believes that these concerns have been satisfied by the above-stated agreements, and commits with LILCO to maintaining the level of security embodied in this Agreement.

LILCO agrees that the commitments and understandings reached between LILCO and the County, as documented in this Agreement, will be integrated and incorporated in the documentation submitted to and approved by the NRC and/or available for audit and review by the NRC, including the Shoreham physical security plan. LILCO further agrees that Revision 5 of the physical security plan will be modified, as appropriate, to reflect the above agreements, and will be submitted for

review to the SCPD prior to submission to the NRC Staff. A copy of this Agreement will be attached to the physical security plan as an appendix thereto. LILCO further agrees that any future changes or revisions to either the physical security plan or any other documentation relevant to the security arrangements at the Shoreham site and embodied in this Agreement will require the review and approval of the SCPD.

LILCO agrees that, with respect to any proposed changes or revisions in the physical security plan or any other documentation relevant to the Shoreham security arrangements requiring approval by the NRC, but not embodied within this Agreement, it will consult with and solicit the guidance of the SCPD prior to seeking approval from the NRC. In the event that applicable NRC regulations are modified so that, but for LILCO's commitments in this Agreement, LILCO could modify its security plan and effect significant annual savings, the SCPD agrees that it will engage in good faith discussions with LILCO regarding any proposed modifications of this Agreement that conform to the regulations, are consistent with sound security precepts, and would achieve significant savings for LILCO and its ratepayers.

XI. Conclusion

Based on the foregoing, the County, LILCO and the Staff jointly urge the Board to accept this Agreement and to terminate litigation of the County's nine security contentions.

HUNTON & WILLIAMS

Date: 22 November 1982

By: Donald P. Irwin
Donald P. Irwin
Lewis F. Powell, III
707 East Main Street
P.O. Box 1535
Richmond, Virginia 23212

Attorneys for LILCO

KIRKPATRICK, LOCKHART, HILL,
CHRISTOPHER & PHILLIPS

Date: November 22, 1982

By: Herbert H. Brown
Herbert H. Brown
Lawrence Coe Lanpher
Michael S. Miller
1900 M Street, N.W.
Washington, D.C. 20036

Attorneys for Suffolk County

NUCLEAR REGULATORY COMMISSION
STAFF

Date: 11/19/82

By: Bernard M. Bordenick
Bernard M. Bordenick
David A. Repka

ATTACHMENT Y

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

ATOMIC SAFETY AND LICENSING BOARD

Before Administrative Judges

James A. Laurenson, Chairman
Dr. Walter H. Jordan
Dr. Jerry Harbour

In the Matter of)	Docket No. 50-322-OL-2
)	ASLBP No. 82-478-05-OL
LONG ISLAND LIGHTING COMPANY)	(Security Proceeding)
)	
(Shoreham Nuclear Power Station, Unit 1))	December 3, 1982

MEMORANDUM AND ORDER CANCELING HEARING, APPROVING FINAL
SECURITY SETTLEMENT AGREEMENT, AND TERMINATING PROCEEDING

I. JURISDICTION AND PROCEDURAL HISTORY

On August 24, 1982, at the request of the Atomic Safety and Licensing Board previously established to preside in the operating license proceeding, this Board was established "to continue to guide ongoing settlement efforts by the parties with respect to security planning issues and to preside over the proceeding on those issues only in the event that a hearing is required." Thereafter, Suffolk County (hereinafter "the County") and Long Island Lighting Company (hereinafter "LILCO") held numerous meetings and negotiations concerning the security contentions of the County. Periodic reports were filed by the parties. Finally, on November 24, 1982, all parties herein filed the "Final Security Settlement Agreement."

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II. FINAL SECURITY SETTLEMENT AGREEMENT

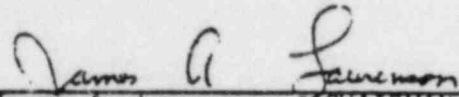
The Final Security Settlement Agreement signed by LILCO, the County, and NRC Staff contains safeguards information which is protected and will not be restated here. 10 CFR § 73.21. As pertinent here, the Agreement provides that the agreed upon actions "respond to and satisfy the County's security concerns.... Accordingly, the County finds that its nine security contentions are resolved." Id. at 4-5. The Agreement concludes as follows: "Based on the foregoing, the County, LILCO and the Staff jointly urge the Board to accept this Agreement and to terminate litigation of the County's nine security contentions." Id. at 33.

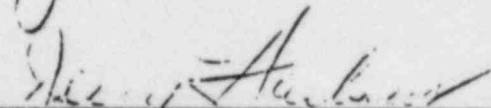
The Nuclear Regulatory Commission recognizes and encourages fair and reasonable settlement of contested issues. 10 CFR § 2.759. We have considered the nine security contentions of the County, the Agreement of all parties to resolve those contentions, and the Commission's policy encouraging settlement. Accordingly, we conclude that the Agreement is fair and reasonable and should be approved. The parties and their counsel are deserving of a special commendation for their outstanding efforts which led to a resolution of the security contentions in this proceeding. We find no need to compel further appearances by the parties, and, hence, the hearing scheduled for Monday, December 13, 1982, is canceled.

ORDER

WHEREFORE, IT IS ORDERED this 3rd day of December, 1982, at Bethesda, Maryland, that the Final Security Settlement Agreement is APPROVED; the joint request to terminate this proceeding is GRANTED; the hearing previously scheduled for Monday, December 13, 1982, is CANCELED; and this proceeding is hereby DISMISSED.

ATOMIC SAFETY AND LICENSING BOARD

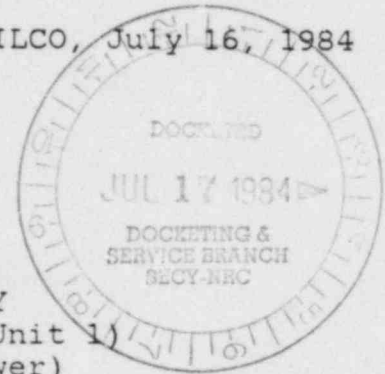

James A. Laurenson, CHAIRMAN


Dr. Jerry Harbour

Dr. Walter H. Jordan concurs in this Memorandum and Order but was unavailable to sign it.

LILCO, July 16, 1984

CERTIFICATE OF SERVICE



In the Matter of
LONG ISLAND LIGHTING COMPANY
(Shoreham Nuclear Power Station, Unit 1)
Docket No. 50-322-OL-4 (Low Power)

I hereby certify that copies of LONG ISLAND LIGHTING COMPANY'S RESPONSE FOR DIRECTED CERTIFICATION were served this date upon the following by U.S. mail, first-class, postage pre-paid.

Chairman Nunzio J. Palladino
U.S. Nuclear Regulatory
Commission
1717 H Street
Washington, D.C. 20555

Commissioner James K. Asselstine
U.S. Nuclear Regulatory
Commission
1717 H Street, N.W.
Washington, D.C. 20555

Commissioner Lando W. Zech, Jr.
U.S. Nuclear Regulatory
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1717 H Street, N.W.
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Commissioner Frederick M. Bernthal
U.S. Nuclear Regulatory
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1717 H Street, N.W.
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Commissioner Thomas M. Roberts
U.S. Nuclear Regulatory
Commission
1717 H Street, N.W.
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Judge Marshall E. Miller
Atomic Safety and Licensing
Board
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

Judge Glenn O. Bright
Atomic Safety and Licensing
Board
U.S. Nuclear Regulatory
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Washington, D.C. 20555

Judge Elizabeth B. Johnson
Oak Ridge National Laboratory
P.O. Box X, Building 3500
Oak Ridge, Tennessee 37830

Eleanor L. Frucci, Esq.
Atomic Safety and Licensing
Board
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

Honorable Peter Cohalan
Suffolk County Executive
County Executive/
Legislative Building
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Hauppauge, New York 11788

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Special Counsel to the
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Executive Chamber, Room 229
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Albany, New York 12224

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Herbert H. Brown, Esq.
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Kirkpatrick, Lockhart, Hill,
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Mr. Martin Suubert
c/o Congressman William Carney
113 Longworth House Office Bldg.
Washington, D.C. 20515

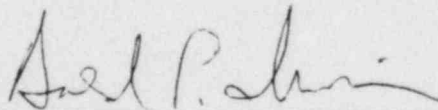
James Dougherty, Esq.
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Legal Director
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Commission
Washington, D.C. 20555

Martin Bradley Ashare, Esq.
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H. Lee Dennison Building
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Hauppauge, New York 11789

Docketing and Service Branch
Office of the Secretary
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555



Donald P. Irwin

Hunton & Williams
707 East Main Street
Post Office Box 1535
Richmond, Virginia 23212

DATED: July 16, 1984