



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

April 20, 1992

Docket No. 50-322

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Mr. John D. Leonard, Jr.
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Long Island Lighting Company
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Gentlemen:

SUBJECT: NRC APPROVAL OF JOINT LILCO/LIPA CONTINGENCY PLAN REQUIRED BY NRC ORDER
APPROVING TRANSFER OF LICENSE OF FEBRUARY 29, 1992 - SHOREHAM
(TAC NO. M77273)

On February 29, 1992, the U.S. Nuclear Regulatory Commission (NRC) issued an Order approving the transfer of the Shoreham license from the Long Island Lighting Company (LILCO) to the Long Island Power Authority (LIPA). In this Order, the NRC required the parties to submit a joint contingency plan addressing what actions LILCO would take if the license reverted to LILCO if LIPA either ceased to exist or was otherwise found to be unqualified to hold the license. In a letter of March 27, 1992, LIPA submitted the required contingency plan, "Joint Contingency Plan of the Long Island Lighting Company and Long Island Power Authority Required by NRC Order Approving Shoreham License Transfer - February 29, 1992." LIPA supplemented this contingency plan in a letter of April 10, 1992.

The contingency plan provided commitments in the following areas:

1. Maintenance of Personnel Qualifications

LIPA and LILCO have stated that LILCO or contractor personnel comprise nearly 90 percent of the Shoreham site organization. If the Shoreham license reverted back to LILCO, these employees would perform the same duties as before the license reversion. Thus, the qualifications of those employees would continue to be considered adequate. The remaining

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Shoreham site organization consists of seven senior level management positions, filled by LIPA/NYPA co-employees, and 16 mid-level management and technical positions, filled by New York Power Authority (NYPA) employees.

LILCO committed to maintain seven LILCO personnel capable and qualified to assume the seven senior management positions, if necessary. LILCO also committed that, if the Shoreham license reverted to LILCO, it would either fill the 16 mid-level management and technical positions with qualified personnel or assimilate the functions into the LILCO organizational structure under qualified LILCO or contractor personnel. LILCO committed to ensure that adequately qualified personnel will be available at all levels of the organization if the Shoreham license reverted back to LILCO.

2. Contractual Agreements

LIPA and LILCO have determined the services and functions performed under contract, which are considered essential for meeting the obligations and responsibilities of the Shoreham license. These services and functions are performed by (1) contractors in either professional or technical positions, (2) contractors providing general support, and (3) contractors providing services for specific tasks. LIPA and LILCO have requested all of the vendors to provide written concurrences that if the license reverts to LILCO, the rights and the obligations of each contract will transfer to LILCO. All vendors have provided the requested written concurrences. Therefore, all contracted services and functions will continue uninterrupted if the Shoreham license reverts to LILCO.

3. Regulatory Authorization (Other than NRC)

LIPA and LILCO have stated that the only required Federal, State, or County regulatory authorizations required for LILCO to meet the obligations and requirements of the Shoreham license, if it reverts back to LILCO, are four Federal Communications Commission (FCC) radio licenses. These FCC licenses are required for personnel who use portable radios in performing site security, fire and safety, and other station functions, and for the base station that provides for offsite radio contact for emergency response services. LILCO and LIPA have indicated that these FCC radio licenses are covered by an FCC "involuntary assignment" provision that allows the license to be automatically assigned to a new owner in the event that the (FCC) license holder is "legally disabled" from using the license. The FCC will transfer these required licenses to LILCO if the Shoreham license reverts to LILCO.

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Insurance Coverage

LILCO stated that it remains the policyholder for the Shoreham site insurance policies required by 10 CFR Parts 149, 50.54(w) and 50.75(e). Since the Shoreham license reverted to LILCO, these required insurance policies will remain in effect, without the need for either LILCO or LTRC to perform any immediate actions.

Upon reviewing these arrangements and commitments, the NRC finds reasonable assurance that LILCO could reassume the obligations and responsibilities of the Shoreham license if it reverted to LILCO. Accordingly, the Joint Contingency Plan of March 27, 1992, as supplemented on April 10, 1992, is hereby approved.

Sincerely,

Original signed by
Thomas E. Murley

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

cc: See next page

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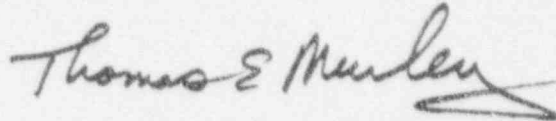
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4. Indemnification Coverage

LILCO stated that it remains the policyholder for the Shoreham site insurance policies required by 10 CFR Parts 140, 50.54(w) and 50.75(e). If the Shoreham license reverted to LILCO, these required insurance policies will remain in effect, without the need for either LILCO or LIPA to perform any immediate actions.

Upon reviewing these arrangements and commitments, the NRC finds reasonable assurance that LILCO could reassume the obligations and responsibilities of the Shoreham license if it reverted to LILCO. Accordingly, the Joint Contingency Plan of March 27, 1992, as supplemented on April 10, 1992, is hereby approved.

Sincerely,



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