V. 19.A

DEFICIAL USE BINLY 2/28/85

ORAGANAL

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

DOCKETED

*84 SEP 10 A10:40

In the Matter of:

1

2

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

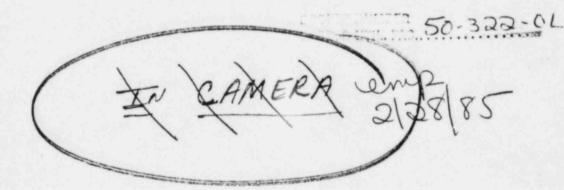
21

23

24

25

LONG ISLAND LIGHTING COMPANY SHOREHAM NUCLEAR POWER STATION



Location: Bethesda, Maryland

Date: August 30, 1984

Pages : S-95 - S-185

8503050449 850304 PDR ADOCK 05000322

FREE STATE REPORTING INC.

D.C. Area 261-1902 • Balt. & Annap. 269-6236

1 2	UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION BEFORE THE ATOMIC SAFETY & LICENSING BOARD
3	LONG ISLAND LIGHTING COMPANY SHOREHAM NUCLEAR POWER STATION
4	4350 East West Highway
5	Bethesda, Maryland
6	Thursday, August 30, 1984
7	Hearing in the above-entitled matter reconvened at
8	9:30 a.m., pursuant to adjournment.
9	BEFORE:
10	JUDGE MARSHALL E. MILLER
11	JUDGE ELIZABETH B. JOHNSON
12	JUDGE GLEN O. BRIGHT
13	APPEARANCES:
14	On behalf of LILCO
15	DONALD IRWIN ROBERT REEN
16	On behalf of the NRC Office of Division of Licensing
17	RALPH CARUSO
18	JOAN CAMPAZNONE EDWIN REIS
19	On behalf of the Suffolk County
20	KARLA J. LETSCHE
21	HERBERT H. BROWN LAWRENCE LANPHER
22	Kirkpatrick, Lockhart, Hill, Christopher, Phillips
23	Law firm.
24	On behalf of the state of New York FABIAN PALOMINO
25	On behalf of Division of Safeguards of the Office of Nuclear Material Safety and Safeguards DONALD KASUN

2

3

4

5

8

10

11

13

14

15

17

18

19

20

21

23

24

25

PROCEEDINGS

JUDGE MILLER: The special pre-hearing conference held in-camera in this Shoreham low power proceeding will come to order.

First, since it's an in-camera session, we're going to ask that everyone in the courtroom identify himself or herself.

You may have noticed that we have a security guard to see that no unauthorized persons are admitted or remain very long.

That's Mr. Raymond D. Marshall, who will check security in and out.

I am now going to ask all persons, starting with counsel and their associates, to identify themselves.

We'll start with staff since it's more convenient to go around the body of the courtroom.

MR. PERLIS: Thank you. My name is Robert Perlis.

I am an attorney with the Office of the Executive Legal

Director of the NRC, and I represent the NRC staff here
today.

Would you like the other individual?

JUDGE MILLER: I'd like everybody.

MR. KASUN: I'm Donald Kasun, and I'm technical staff of the Division of Safeguards of the Office of Nuclear Material Safety and Safeguards.

2

3

5

6

7

8

10

11

13

14

16

17

18

19

20

22

23

25

MR. IRWIN: My name is Donald Irwin, with the law firm of Hunton and Williams, representing Long Island Lighting Company.

MR. EARLEY: My name is Anthony Earley, with the law firm of Hunton and Williams, representing Long Island Lighting Company.

MR. PALAMINO: My name is Fabian Palomino, representing the state of New York.

MS. LETSCHE: My name is Karla Letsche, with the law firm of Kirkpatrick, Lockhart, Hill, Christopher, and Phillips, representing Suffolk County.

MR. BROWN: My name is Herbert Brown, with the Kirkpatrick law firm, also representing Suffolk County.

MR. LANPHER: Lawrence Lanpher, with the Kirkpatrick law firm, representing Suffolk County.

MR. REEN: Robert Reen, Long Island Lighting Company.

MR. CARUSO: I'm Ralph Caruso, I'm the senior project manager of NRC Division of Licensing.

MS. CAMPAZNONE: I'm Joan Campaznone, I'm assistant project manager.

MR. REIS: My name is Edwin Reis, I'm assistant chief hearing counsel of the Nuclear Regulatory Commission.

JUDGE MILLER: Due to the fact that we had serious

problems with the transcript of our conference last time, I think it was not particularly the in-camera portion, but the other.

It was so garbled as to be practically unusuable.

And I have filed a complaint in that regard, and I know that LILCO has sent in some corrections, and I think perhaps other counsel also assisted or participated in corrections.

At any rate, we'll appreciate any further corrections or editing to make it semi-intelligible. In order to avoid any problems, because I reported here, it's not reported for this particular case nor in-camera before, be sure and identify clearly any terms that you use, spell the acronyms that are familiar to all of you, but nonetheless, we don't want LILCO coming out first LOCA and then later became LOCA for the rest of the session. That kind of thing we wish to avoid.

So spell anything, and assume they're not as familiar either to our reporter or to persons with non-technical or at least non-NRC backgrounds who may be reading these.

I think that the purpose of the special pre-hearing conference which was the subject of a notice of special pre-hearing conference which the board issued on August

22, 1984, it was to consider the security contentions, including proposed amendments or refinements thereto. Will you identify yourself, young lady?

MS. FRUCCI: Eleanor Frucci.

JUDGE MILLER: Thank you. She is our law clerk and is an authorized person. And we're requiring identification of everyone for the record so that we comply fully with whatever our security requirements are.

The proposed amendments or refinements thereto, which we anticipated might be filed, and indeed they have been filed, by representatives of Suffolk County and the state of New York, I think filing joint amended contentions.

So we will consider those. A response and information was furnished by LILCO following the board's request in our August 14, 1984 meeting for information concerning what had been done and so forth.

That bears the date August 24, 1984. I think it was hand-delivered to counsel. It was to the board, and I think this service list did show all counsel received, hopefully by hand-delivery, on Friday, whatever it was.

At any rate, we will consider that. We've had nothing filed by the staff. I assume we'll hear from

the staff with regard to the amended contentions and any matters related thereto.

Also, the Commission, as you know, in a memorandum and order entered by it on August 20, 1984, indicated that it was concerned about the schedule for litigation of security issues, at least insofar as it might be based on the Commission's scheduled guidance by its May 16 order, CLI-84-8.

And so as a result of the expression of concern, yes, expression of concern by the Commission, we've also set that down as a matter that the parties may, after we get through with the contentions, arguments, care to give us suggestions of any type.

Now is there anything else that we should go into before we start with the revised contentions? Any other matters anyone wishes to put on our agenda?

MR. LANPHER: The only other matter that Suffolk County knows of, Judge Miller, is our August 24 letter regarding persons who would be authorized to participate on behalf of the County, and at some point in the agenda, if it's appropriate, we'd like to take that up as well.

JUDGE MILLER: Yes. We will consider that. We'll ask for comments by the other parties. I assume they all received copies of your August 24 letter, setting

forth the information regarding all persons you wish to have authorized.

MR. LANPHER: That's the letter that I'm referring to.

JUDGE MILLER: Okay. We'll consider that. Let me say preliminarily, and I'm not pointing this out at any particular persons, in order to have appropriate service of any motions or any papers served upon the board, we have taken steps to ensure that no messengers or other persons will be permitted to deposit anything in our offices here in Bethesda after 4:30.

There are too many problems that have arisen or could arise with the handing of security or safeguards but not limited to that, so we request therefore be sure to have any messengers that you send given instructions that after 4:30, don't even stop, and we'll expect if it's a question of being the last day, there would be a motion for leave to file on time.

We ask all parties to respect that. There is, as you know, in our protective order requirments as to service of secured or protected materials, including by mail and so forth, and where it's by messenger, written receipts.

Be sure and get those written receipts dated and timed, and impress upon your own staffs the importance

3

4

.

7

8

10

11

13

15

14

16

17

18

19

21

22

23

25

of doing that.

All right. We're ready then, I think, to proceed with the proposed revised contentions. Do the county and state wish to go first, or does the utility wish to go first, LILCO?

We don't really care, but since you've exchanged them, whatever is most convenient, I would say, for counsel.

MR. BROWN: I think it would be appropriate, Mr. Miller, if there are any criticisms of the contentions for either the staff or LILCO, to set them forth.

JUDGE MILLER: All right. We'll hear from LILCO then.

MR. IRWIN: Thank you, Judge Miller, and members of the board. LILCO received Suffolk County's proposed revised contentions yesterday.

We have evaluated them preliminarily and are prepared to go forwrd with discussion of them this morning.

Mr. Earley will discuss some general criticisms we have relating to them as compared to the initial contentions.

I will pick up with any specific contention by contention points that may not have been covered in his general observations.

I think it's fair to say, so as to avoid repetition, that we believe that our August 24 papers responded fairly directly and that our view despositively to the merits of the initial contentions as pleading matters.

Unless the board desires amplification of those views, we don't intend to repeat them on the record.

The proposed revised contentions, while twice as long as the initial contentions, do not, in our view, cure any of the fundamental defects which primarily relate to lack of specificity and real basis of those contentions.

There is what might be thought of as spurious specificity in some of them, but they simply do not cure the fundamental problems.

For that reason, Mr. Earley's conclusion and mine is that none of the revised contentions are any more admissible than the original ones.

I will turn the discussion in general terms over to Mr. Earley and follow up with specific observations of it.

MR. EARLEY: Judge Miller and members of the board, as Mr. Irwin indicated, LILCO continues to believe that the county has failed to raise a litigible contention within the NRC's July 18th order, which amplified the

2

4

•

7

9

10

12

13

15

16

17

18

19

21

22

23

25

NRC regulations for admitting contentions under Section 2.714.

The revised contentions really fall into three general categories. Those categories in many instances overlap.

Each of these categories are reasons why the county's new contentions should not be admitted by the board.

First, most of the contentions have few or no changes at all. In many instances, the changes were some changes in introductory language rather than changes in the substance of the contention.

Therefore, to a very large extent, LILCO's response to the original contentions is still very much applicable to these contentions and for the reasons stated in that filing, the contentions are not admissible.

In fact, only contention 1 adds more detail of substance. The other contentions do have some minor changes, but the only real attempt to add to a contention and add specificity is in contention 1.

And I might add there specificity was added, but not additional and appropriate basis. As Mr. Irwin will indicate in the discussion of individual contentions, contention 1 fails for a separate reason,

•

2

3

5

6

8

9

10

12

13

15

16

17

18

19

20

22

23

24

and that is it is premised on a fundamentally erroneous assumption.

And that moves us to the second category of contentions. Those are the contentions that make the assumption that the gas turbine and the EMDs must be vital areas.

We touched on that briefly in our prior pleading, and I do want to expand on that, and I'll come back to it in a minute.

The third category of contentions are those contentions that rehash claims, contentions, that were in essence ruled out by the appeal board in the Diablo Canyon case.

For example, the contention concerning the characterization of design basis threat, as Mr. Irwin will indicate, I believe that's contention 5, no matter how it's packaged, that type of contention was ruled out by the Diablo Canyon appeal board.

And other contentions suggest that the attackers will be using mortars and other equipment. That type of contention was specifically ruled out by Diablo Canon, and Mr. Irwin will address the specifics.

So LILCO believes that for those three reasons, first, that the contentions, with the exception of contention 1, are largely identical to the previous

contentions and our prior submittal is despositive of that.

Second, many of the contentions make the assumption that the EMDs and the gas turbines must be a vital area, and go on from there, and that that is an erroneous assumption, and therefore the contentions are inadmissible.

And third, a number of the contentions are ruled out by the appeal board's holdings in the Diablo Canyon case.

Let me turn to a very important issue of consideration of the EMDs and the 20-megawatt gas turbine as a vital area.

This was discussed to some extent in our initial response, and I'll try not to repeat those arguments, but I think it is appropriate to deal with that issue here, because it came into better focus, I think, with Suffolk County's filing of revised contentions.

LILCO, back following the Commission's order in May, applied for an exemption from the requirement that it have a qualified on-site power source during low power testing.

As we've discussed many times, principally that requirement is embodied in GDC-17. LILCO asked for an exemption from that regulation and any other regulation

that might require the fully qualified on-site power source that LILCO conceded did not have if it could not take credit for the TDI diesel generators and the lack of the TDI diesel generators was a premise that this whole proceeding is based upon. I don't want to get into that.

As we discussed at great length during the low power hearings, a GDC-17 on-site power source not only must exist but there are certain attributes and requirements associated with that power source.

As the county pointed out many times, such an onsite power source must meet the requirements of GDC-1
and Appendix B, dealing with QA, GDC-2, dealing with
seismic qualifications, GDC-3, fire protection, GDC-4,
environmental qualification, and so on, so that an onsite power source has with it associated a body of
requirements.

Assuming for a moment that there are security regulations that impose requirements on an on-site power source, that those requirements might—those regulations might require the on-site power source also to have some security attributes, in other words, that they be considered to be a vital area.

The whole point of the exemption proceeding was that for the purposes of consideration in low power,

LILCO didn't have an on-site power source and everything that came with an on-site power source, all the attendant QA seismic and security qualifications.

LILCO conceded that we did not meet those regulations if we couldn't take credit for the TDI diesel generators.

LILCO demonstrated in the low power proceeding that given the circumstances of low power operations,
LILCO's proposal to operate with enhanced off-site power sources, and remember, off-site power sources don't have these other requirements imposed upon them, that with these enhanced off-site power sources, operation of the plant was as safe with LILCO's proposal, in light of low power operations and all that entails, that we're as safe as a plant with qualified diesel generators.

Now as demonstrated in, I think, our response to the first set of county contentions, no further hearings need to be conducted to reach the conclusion that the EMDs and the gas turbines are not to be classified vital areas.

They are off-site power sources. They are not the on-site power sources that might require them to be vital areas.

In addition, we've demonstrated there is no

technical reason to qualify these machines or to require these machines to be vital areas, for all events except the loss of coolant accident, the record reflects, and it's undisputed in this record, that more than 30 days, maybe an indefinite period of time, is available to restore power.

So it really doesn't matter what security these pieces of equipment have on them, because certainly power can be restored some way within the time period that's available.

With respect to the loss of coolant accident event, the record shows that that is an extremely unlikely event.

For security to be any consideration at all with respect to the EMDs and the gas turbines, not only do you have to postulate the extremely unlikely loss of coolant accident, you have to postulate the simultaneous destruction of all sources of the normal off-site AC power system.

And we've got substantial evidence on the multiplicity and diversity of AC power sources. That's all in the record.

You also must postulate an essentially simultaneous sabotage attack on the plant, which would then disable the 20-megawatt gas turbine and disable

3

4

6

7

9

10

12

13

14

16

17

18

19

21

22

23

24

all four of the EMD diesels. That is an inherently unlikely event.

As we quoted in our response to the original contentions, in establishing their security regulations, the NRC conceded that there were no groups in the United States capable of the type of radiological sabotage that the regulations were designed to protect against.

So we've got all the evidence and information available to the board to demonstrate that the sequence of events is a very unlikely and improbable sequence of events that need not be considered.

The reason it's unlikely and improbable is that it is not necessary to consider that this loss of coolant accident and the sabotage event are causally linked.

Recall that there is an approved security plan for the plant. That plan is designed to protect the plan. It has been reviewed by all parties and a settlement with respect to that security plan was endorsed by a licensing board.

As the staff indicated in Safety Evaluation Report number 5, there is no technical reason to protect the temporary diesels in the gas turbine generators as vital equipment.

The reasoning is very similar to the reasoning that

is used for determining that you need not consider the concurrent occurrence of a seismic event and a loss of coolant accident.

One of those alone is a very unlikely event. As a matter of policy, it's just not necessary to consider sequences of very unlikely events.

That's the same reason that NRC doesn't require people to consider multiple double failures in designing plants, that you get to a point that as a matter of policy when you're talking about unlikely events, followed by highly improbable and unlikely sequences of events, as a matter of law and policy, these events have no significant impact on the public health and safety.

If that weren't the case and no lines were drawn, there would be endless litigation of "what ifs" in areas.

What if one additional piece of equipment failed? Because certainly everything is possible. Nothing is impossible.

And as a matter of policy, when you start talking about improbable events, you have to cut it off.

I think equally important, as we pointed out in our response, there is no current regulatory requirement to make even the on-site power system, and remember, we're

2 3

5 6

8

10

9

11 12

13

14

15

16

17

18

19 20

21

22 23

24

25

talking now about an off-site power system, the on-site power system vital area for full power operation.

We cited in our response the fact that there is a regulation, a proposed regulation that's pending, and it is exactly that.

It's a proposal to require having the on-site full power electric power source, that it would have to be in a vital area.

Comments aren't even due on that proposal until December 5th. So it would be inappropriate to assume that even for full power operation, that an on-site power source would necessarily have to be a vital area.

So for all of those reasons, the existing power sources do not...the EMDs and the gas turbine do no have to be classified as vital areas for security purposes.

And there is nothing to be litigated with respect to that. LILCO concedes, they are not classified as vital areas.

There are no factual disputes about that. That is a matter that can be decided by the board in ruling on the contentions, either they are or they aren't based upon the record that is already before the board in the low power case, and that record demonstrates that they don't have to be classified as vital sources of power

for security purposes. That conclusion that they don't have to be vital areas, and there is no requirement that they be vital areas, is despositive of many of the contentions.

As Mr. Irwin will indicate, in going through the contentions where the county has attempted to add specificity, the specificity is based upon the assumption that these machines have to be vital areas and from that assumption flow certain of their contentions.

And it's not necessary to consider the specifics of the contentions if the premise is incorrect.

With that general discussion of contentions, let me turn it over to Mr. Irwin to discuss in a little more detail the specifics of each of the new revised contentions and how they differ from the previous contentions that were submitted.

MR. IRWIN: I hope I didn't just cause more problems with this flyer than I solved. I suppose it's appropriate to begin at the beginning.

Let's look at contention 1. The contention is, in its first paragraph...

JUDGE MILLER: Pardon me. Identify yourself for the record, spell your name.

AUDIENCE MEMBER: Charles Cassidy (phonetic).

2

3

6

7

9

10

11

12

14

15

16

17

18

19

21

22

23

24

25

JUDGE MILLER: Thank you.

MR. IRWIN: Thank you, Judge Miller. Contention 1 consists of an introductory paragraph, and four lettered paragraphs.

The introductory paragraph and the first portions of each of the four lettered paragraphs are either identical or essentially identical to the contentions as initially filed by Suffolk County on August 13.

Suffolk County has rewritten them to cure one pleading defect, namely that of alleging that LILCO has failed to demonstrate certain things, but in substance, they're identical.

The new material in contention...well because of that, to the extent that there are deficiencies that unless they are cured by the new material, we believe that contention 1 is accounted for by our initial pleading. I think that follows for the other contentions as well.

The new material in contention 1-A begins really on the third line from the bottom of page one, and extends through the second line on page three.

It takes up two subject matter areas, one, the number of armed responders, and second, the training for the armed responders.

Each of these additions suffers from two

fundamental defects. One, they presume that the EMDs and the 20-megawatt turbine are areas that must be protected.

That assumes from the basic structure of the security plan that they are vital areas. Unless it is shown that they should be vital areas, these two aspects of the new contention simply fail as a matter of logic.

Even if the EMDs and 20-megawatt turbine were found to be vital areas, there is another difficulty with these contentions, and that is their failure to deal with the logic of the security plan and procedures.

The security plan and procedures, as we indicated in our filing of the 24th, are geared to methodology and to function.

They are not geared specifically to individual items of equipment or other individual features of the plant.

And there are very good reasons for that. You simply can't anticipate every mutation of every contingency in specific geographic detail.

The plan as written, LILCO believes, adequately would account for the addition of these two pieces of equipment with respect to both number of armed responders and with respect to training.

Now my guess is that Suffolk County was going to argue, "Well, that's a matter of proof, and let's have it out in the hearing and see whether you're right."

It's not a matter of proof if the contingent fails to show why the actual methodology in the original plan, which is conceded to have been adequate by all parties for full power operation is suddenly inadequate for this low power purpose.

The contention does not try to do that, and it simply has no...it fails to state a basis why this methodology which was good before is somehow no good now.

For the board's convenience, there are a couple of procedures which might be useful as references to survey the methodology of the plan and procedures.

One of them is Station Procedure 99.013.02, Vital Area Intrusion and Detection Apprehension.

The other is Station Procedure 99.007.02, which deals with protected areas. The review of those procedures will show that they are geared to methodology rather than to specific items of equipment.

The same arguments apply with respect to the training of armed responders, which is the material taken up in the first new paragraph of page two, carrying over to page three.

Training once again is on general principles of response, and it is intended to focus the armed responders on a variety of aspects of response with the goal of protecting vital equipment.

It does not focus on specific items of equipment, and the whole review of the basically the entire training qualification program document, which was filed with the board last week, will bear this out.

Again, the contention, in our view, does not try to show why this methodology, which was concededly adequate for full power operation, is inadequate somehow suddenly for low power operation.

For these reasons, we believe the contention is inadequate as a pleading matter. Again, it's not a matter of proof.

You can't plead that the moon is made of Swiss cheese if you have a piece of moon rock in your hand, and I think that's really almost the analogy that we're at right now.

Contention 1-B is really a significant departure in LILCO's view from the original contention 1-B. The new material takes off with the second paragraph of the contention, beginning in about the middle of page three, and carries through to the middle of page five.

The basic argument in this contention or this subcontention now, is that the 20-megawatt turbine and the EMDs should be classified as vital equipment and it presents an argument as to why.

That's contained really on the bottom half of page three. Pages four and five, I think, can easily be seen to be conclusions which follow from the classification of those two pieces of equipment as vital equipment.

If one does not accept the classification of these two pieces of equipment as vital equipment, each one of the seven numbered subparagraphs on pages four and five simply fall of their own weight.

LILCO has essentially three problems with this subcontention. One of them is the problem that Mr. Earley mentioned, which I won't repeat in its argument for classification of pieces of equipment, or its assumptions of these pieces of equipment as vital areas, simple invades a major premise of the entire low power safety proceeding to date.

And that's a matter which is already on the record and not intended to be relitigated here.

I think it's a fairly fundamental point, and I don't mean to cut it off in its significance by stating it briefly. I just don't want to repeat Mr. Earley.

3

4

5

7

9

10

11

13

14

15

16

17

18

19

21

22

23

25

The second aspect of our problem with this contention is simply one of notice and fairness. I think franky it's a new argument.

Perhaps Suffolk County is simply articulating arguments that have been made before, but it defies even my fairly fertile imagination, although it's been bludgeoned by a couple of years in this case, to find where the argument that begins with the middle of page three springs from the first paragraph on page two.

I think that Suffolk County wanted to make this argument. They have had all the information available to them for years, as we indicated in our pleading in August 24, and should have made it in intelligible detail back then.

The third difficulty is again one which is related to Mr. Earley's argument, and it goes to one aspect of the argument for characterization of these pieces of equipment as vital areas.

The accident as postulated is not simply a LOCA, but it's a LOCA accompanied by a loss of off-site power.

That loss of off-site power is an additional event beyond the LOCA, and it pervades or it goes into analytical assumptions which are part of the safety record.

There are some detailed matters of expression in the subparagraphs on pages four and five, which I simply will not go into because I think if the contention is admitted, we can refine those, and I would expect to, but they're not worth taking up at this point.

Subcontention C, which deals with alleged deficiencies in lighting in the 69 KV switchyard, and alleged deficiencies in ability to survey the switchyard, again the new material begins on the fifth line from the bottom of page five, carries over to the end of the first paragraph on page six, the first paragraph of the subcontention substantively identical to the original.

This new material is simply a recitation of matters which I believe LILCO would agree probably should be considered if the 69 KV switchyard were deemed to be a vital area.

But again, this new material is totally dependent on the conclusion that the 69 KV switchyard should be a vital area.

And unless the board accepts that proposition, the contention has not basis.

Subparagraph D deals with security procedures and alleges that various aspects of guard training and

control requirements and information and so forth should be revised.

Once again, this whole addition to the contention depends on the characterization of these two areas as vital areas.

Secondly, while the contention does add more specificity, it adds no more basis to the original contention, as I discussed in connection with Contention 1-A, namely, armed responder manning levels and the training program generally.

Those procedures which...and post orders and set of instructions to guards or armed responders which are not tied to specific pieces of equipment and are concedely adequate for full power operation are somehow magically inadequate as a matter of methodology here.

Why? We don't know, and the contention doesn't say. And I think that it's just a basic matter of pleading.

The county had an obligation to set it out, and they didn't on either of their two tries. I think the contention should be rejected.

Contention 2 begins on page seven. The first paragraph of that contention is down to its last sentence, fundamentally identical to what was filed before the last sentence is new.

LILCO has really basically two problems with this contention, the first one, of course, is that it depends on the assumption... I beg your pardon.

There are some other additional interstitial material in contention 2. The third line, the parenthetical expression whether such a LOCA was due to a security incident or otherwise, and then three lines further down, the parenthetical statement, "See discussion in contention 1-B for details, why alternate AC power equipment is vital equipment." Those are new.

LILCO has really two difficulties with this contention. First, it's at this point essentially redundant of contention 1-B.

They both express the same idea now, namely that the EMDs and 20-megawatt turbine should be classified as vital areas, and that we should take measures which are specified in the regulations for such areas.

If the board were to admit one contention, it should merge this into it. There's no reason to have it stated twice.

The second difficulty conceptually with the contention is that it, of course, assumes the vitality of these areas, which we don't believe is correct.

There are two other or three other details with respect to the last sentence that are maybe worth

1

3

5

6

7

9

10

11

13

14

16

17

18

19

20

21

22

24

25

pointing out. There is, I think, a typo reference in the citation in the last sentence to Section 73.55 (1).

JUDGE MILLER: It's supposed to be (a).

MR. IRWIN: Okay.

JUDGE MILLER: 73.55 (a).

MR. IRWIN: It should be 73.55 (a). Okay. That solves the typo. The other two references, though, to 73.55 (d) are again repetitive of matters taken up in what is now contention 1.

75.33 (d) takes up matters which are now stated in contention 1-B (v) and (vi) and the reference to 73.55 (h) takes up a matter which is contained in contention 1-D (as in delta) (i) through (iii).

Again, these simply go to the redundancy of this contention with the first contention.

Contention 3 goes to the characterization of the design basis threat. And I believe I inadvertently steered Mr. Earley wrong when I told him, when he was discussing the characterization of the design basis threat as one of the areas which had been discussed by the appeal board and bounded in the Diablo Canyon case as contention 5, he would have said contention 3 had I not so untimely thrust another word in his mouth. But it's contention 3.

What Suffolk County is trying to do here is

something, is to suggest that...well, the contention was originally written, suggesting that the design basis threat might in fact vary, depending on circumstances of operation. Or at least that's the way it seemed to be written.

The contention has now been rewritten to concede in new material the first paragraph that the design basis threat is generic, and that it doesn't vary with different power levels.

However, it goes on to say, the vulnerabilities of a reactor facility will vary depending on the layout and configuration of each facility, the means and tactics through which design basis attackers choose to exploit these vulnerabilities and the security defense as established by the utility.

First, to the extent that unless the EMDs and 20megawatt diesel or turbine are accepted as vital areas, the logic of the security plan simply defines out this contention.

However, equally important, the Diablo Canyon case, which we are all referring to by shorthand, but it's ALAB 663, 16 NRC 55, pages that we're most concerned with here are pages 74 and 75.

And at the bottom of page 74, continuing at the top of page 75, there is a discussion, a couple of

sentences I think are worth reading.

The text reads, "Governor Brown has proposed a number of 'factual' findings which are in reality legal arguments about the nature and purpose of the external component of the design basis threat of radiological sabotage.

As we have seen, the design basis threat is intended to be generic rather than site-specific.

Thus, there is no requirement that the applicant or taff perform 'site-specific analyses or assessments of potential threats to Diablo Canyon,' Governor Brown asserts.

Similarly, there is no necessity to understand, characterize, and analyze 'the attributes of the attackers in light of the site-specific conditions at Diablo Canyon,' because the characteristics and attributes of the adversary are also generic and are already set forth in the regulation.

Thus, the applicant need not postulate 'skills, training, dedication, weapons, tools, communications, equipment and strategy to the external force,' under the site-specific conditions at its own Diablo Canyon plant."

The point is that you have a design basis threat that's generically determined and if you defend your

vital areas, you simply satisfy the regulations.

There is no need to go back and rethink the logic of the regulations, and I think that is what inherently contention 3 goes to.

The board can read...there's more to this discussion. The board can read it as well as I can, and so I won't go into it further.

The rest of contention 3 is the same as it was originally with the insertion of basically three lines in the midd_e of page eight, beginning with the words "so that specific security plan modifications may be implemented to defend," and continuing down to about two lines further, through the words "subject to attack."

LILCO believes that those words are basically implementing language that make good reading, but they don't change the contention substantively.

Contention 4. Mr. Earley advised me that there are four specific subparagraphs in contention 3. Those are still characterized as they were the first time.

LILCO dealt with them in its response, and I believe that response is still substantively adequate.

Contention 4 goes to the notion of radiological sabotage involving not only external attackers but an insider.

The contention is as written, filed initially through the first seven or eight lines, then it begins new material toward the end of its first paragraph with the last sentence, with the words "such a disabling attack" and the new material continues through the next full paragraph and portions of the following paragraph at the top of page ten.

n

The argument there again is really twofold. At the bottom of page nine, there's an argument as to what the implications are of having a satisfactory security program.

At the top of page ten, there is an assertion that the probability of a sabotage induced LOCA is now greater than when the plan was originally approved.

The argument at the bottom of page nine may be Suffolk County's view about the final security settlement agreement.

However, the logic...well, the final security settlement agreement is merely an instrument which complies, by which LILCO complied with the regulations.

And what each party may have had in its own mind as to the intent or frame of mind with which they went into an acceptance of LILCO's security configuration is really, I don't think, despositive or germaine to whether a contention is admissible.

1

3

6

5

7 8

9

10

12

13

14

16

17

18

20

22

23

25

The approval of a security program is intended as the regulation stated in 73.1-A to afford a high degree of reliability or assurance that a sabotage event will not result in unacceptable consequences.

The program is unchanged in all vital elements.

The vital areas are unchanged. The material at the bottom of page nine simply, it may go to Suffolk County's frame of mind, but I don't think it changes whether the program itself was accessible or acceptable.

So at the top of page ten, there is an assertion that the prior levels of protection, which I guess may have been concedely adequate, since the program was acceptable, are severely reduced.

And there is the statement, "The probability of the sabotage induced LOCA is much greater now than it was given the original plan configuration."

There is no basis for that assertion anywhere in the contention, that I can see. The areas that are new to the plant are not asserted to the areas, which by themselves can induce a LOCA.

And without such an assertion, just simply as a matter of pleading, they don't have a basis for the argument.

Secondly, even if there were a basis, I think this

is a classic example of a lack of specificity. We just simply...it's a nice statement, but I don't think it meets the pleading test.

The contention concludes with new material at the middle of page ten, which begins with the words "accordingly, the LILCO plan fails to comply with the high assurance criterion of section 73.55 (a)."

LILCO's belief is that that new language is merely a legal conclusion; it adds nothing substantive. I'd simply point out that the high assurance criterion has been construed, again in the Diablo Canyon case, on page 59 of the appeal board's decision, as being substantively equivalent to the normal standard of assurance which is demanded in safety reviews.

The board stated toward the bottom of 59 as follows: "Although nowhere defined, the 'high assurance' objective deems to be comparable to the degree of assurance contemplated by the Commission in its safety review for protection against severe postulated accidents having potential consequences similar to the potential consequences from reactor sabotage."

I mention that more just as a general observation because much has been made of the fact that high assurance language is different from reasonable

assurance, which is different from no undue risk.

The fact is, they're substantively equivalent and one should bear that in mind.

That's, I think, all that I have to add on the specifics of contention 4.

On contention 5, we really have two observations.

One is that the ... let me also start out by indicating what is new text and what's similar.

The parenthetical phrase on the fifth through the seventh lines beginning with the words "(by use of such weapons as mortars and other accurate, highly destructive weapons)" continuing down to the closed parenthesis two lines later, "(design basis threat)" that's new language.

There is also a deletion four lines further down after the words "two vital areas" and before the words "because the new AC power configuration."

And that deletion relates to language which refers to conditions where backup AC power would be needed, i.e., conditions involving loss of coolant accident.

This is important because LILCO construes this deletion to...because of this deletion, as we understand this contention, it no longer applies to LOCA situations; it applies to general situations and in that event, you simply do not need as a matter of

8 9

record undisputed fact in the record at the low power hearing the availability of off-site AC power.

And I think that's an important structural aspect of the contention now, and we think that's despositive of it, quite frankly.

There's another aspect of the contention that is worth noting, and that is the parenthetical characterizing, the armament which the design basis threat might carry that I referred to a couple of minutes ago.

Once again, this is an area which the appeal board, in the Diablo Canyon case, defined. And in fact, mortars were one of the specific types of weaponry which Governor Brown tried to require PG&E to assess the vulnerability of the Diablo...I'm sorry.

Once again, mortars were one of the types of weaponry which Governor Brown tried to require PG&E to assess the vulnerability of the Diablo Canyon plant and which the appeal board rejected specifically in the middle of page 75.

The appeal board said as follows: "In a similar vein, the Governor argues that in arming its guards, the applicant has not taken in account a long list of weapons such as fixed-wing aircraft, helicopters, mortars, rocket launchers, grenade launchers, and anti-

tank weapons that various witnesses indicated would be available to terrorists.

But once again, the weapons used by the design basis attackers are established in the regulations, and those weapons include up to hand-held automatic weapons equipped with silencers," and I'm looking for the exact cite.

It's, I believe, it's in Section 73.1-A1, toward the bottom of that long paragraph. It's a little subitem C of that paragraph.

The long and shore of it is Suffolk County and New York State are attempting to have this proceeding considered in this contention, weaponry which has specifically delimited, outside of what's been delimited by the regulations as construed by Diablo Canyon.

The contentions 5 also has one new further piece of text; that's at the top of page 11, and it's the clause "and because LILCO has taken no actions to reduce this vulnerability."

Once again I believe that's implementing language. We don't consider that to change the substance of the contention.

Contentions 6 and 7 are, in our view, substantively identical. In fact, contention 7 is, I believe,

2

4

3

6

5

7

9

10

11

13

14

16

17

18

19

20

22

23

24

25

verbatim from the earlier version.

There is no need to repeat arguments which were made earlier.

I'm sorry for not having submitted it in writing.
We didn't get these papers until somewhat after midday
yesterday, but that's our specific review of these
changes.

JUDGE MILLER: County?

MR. BROWN: Shall we wait for the staff first so we can respond?

JUDGE MILLER: Staff? Argue for the admissibility of one or more contentions? Just yes or no.

MR. PERLIS: The staff would not oppose the admissibility of the contentions.

JUDGE MILLER: That's enough. Staff is not completely taking the same position, unlike our procedure in taking of evidence.

It's not required now to put its case on before yours in argument.

MR. BROWN: Judge, would it be acceptable if we took one or two minutes just to put these...

JUDGE MILLER: Take ten.

MR. BROWN: Thank you.

(Whereupon, a ten-minute break took place.)

JUDGE MILLER: Okay. Are you ready to proceed?

some vulnerability. The fact is that LILCO overloooked security when it put together its new configuration, and the simple basis for every one of our contentions just blares out at everyone's ears.

The problem had this new configuration in LILCO's original system for emergency power. Would anyone in this room conceivably say that LILCO would not have assessed the security implications of that, or that LILCO would not have made those vital areas?

LILCO made its TDIs vital areas. What did the TDIs do? They provided the emergency AC power in the event that was needed.

Now that's precisely what this new configuration is supposed to do, and LILCO's telling us all kinds of legalistic arguments and putting together words to say they don't have to do it.

They do have to do it, and we're going to prove they have to do it, and our own suspicion is that they will do it of their own volition if we just get on with this trial, because they haven't even looked at that, and now they're rationalizing it after the fact.

We stress that the arguments on the merits are exactly what the purpose of the trial is for, and we want to get on with it for that reason.

Secondly, the Commission itself said as recently as

2

3

5

7

a

ď

10

12

13

15

16

17

18

19

20

22

23

24

25

the 18th of July that the final security agreement was not a bar to the contentions in this proceeding, and that litigation could go forward...I'm sorry, it was the 20th of August, it was the board's order of July 18 that I had referenced inadvertently.

And we think all and any LILCO argument predicated on that is just beating the deadest horse at this point.

The statement by LILCO is that there are fatal flaws in our contentions because we're assuming that the vital areas, that these diesels ought to be vital areas.

We're not assuming anything; we're contending they should be. That's what a contention is. And we're prepared to demonstrate it on the facts.

And as I said, these diesels are substituting for what has been a vital area. It certainly has a basis in reasonableness to suggest that the substitute for something that was a vital area ought to be one also.

There is next to nothing in the low power record which should suggest that these should not be vital areas.

In fact, as I said, the new configuration is a substitute for a vital area in the first place. The county and the state, as the state would say for itself

8 9

and will, are ready to go forward with litigation of this.

We have an expedited proposal, we think, that for some reason LILCO is in the posture of wanting to delay this, we can't explain why they would want to do that, but we are on the opposite side of that point, and we want to get this whole matter behind us.

I think that we stand on our specific responses that we've made earlier on the record to what LILCO has said.

And we just can't...I mean, we've dealt with them conclusively as far as we're concerned. Every contention ought to come in and we can't deal with this moving notion that LILCO will throw out constantly that whatever words we write aren't specific enough.

That's like saying no matter how fast you run, you're not running fast enough. And the only point is, of course, we would be prepared if this board were to suggest that there were redundancies in any of these contentions, and that we ought to merge several together, we would certainly be prepared to do that.

But we don't back down in any way on the admissiblity of these contentions.

Finally, I should say, this characterization of Diablo Canyon case by LILCO is not...is attempting to

1

3

5

8 9

10

11

12

13

14 15

16

17

18

19

20 21

22

23

24

25

take our contentions and to mold them into something that would fall under the preclusion of Diablo Canyon.

We're not saying here that the staff and LILCO has to ascribe a certain height to each one of these design basis and attackers, arm each one of them with three grenades and one with a big recoilous rifle and have one flying in on a space ship or anything silly like that.

We're starting, as it says right in the beginning of our contention, I think it's three or four, I've forgotten, that the design basis threat is generic.

And given that generic design basis threat, which we're not trying to ascribe anything specific to, it is upon LILCO's shoulders, the responsibility to analyze how it will deal with what LILCO stipulates is generic and we do.

And it's clear what : is. There are several attackers and there's a number for what that is, and LILCO knows what that is.

And it's designed, it's planned before on a configuration with those numbers to deal with certain kinds of threats, including deception and diversion, both of which are listed clearly in that regulation.

And there are other things listed that the LILCO plan did do, and the county agreed it did do it. The

4

5

6

9

10

11

13

14

16

17

18

20

21

23

24

plan was satisfactory.

All of a sudden, there's a different layout there. Somebody has to look at that and make appropriate changes.

LILCO didn't do that. We have proof-positive information on that, from what they filed, and that's what they ought to be doing.

They've got to take into consideration the application of the generic stipulated design basis threat to the configuration that they have.

It's different. It's as if somehow someone were to put a canal next to the plant on the other side.

Somebody at the plant has to take a look and say, "Does the presence of a canal that didn't exist there before have implications for a plan?"

And it certainly does to the extent to which their people have to be trained, and there has to be lighting and so on.

And to the extent to which they stonewall and are unwilling to do it, we just want to go forward with the contention.

We'll get the testimony in. Our own belief is they're going to back down. We've been through this before with LILCO and we're going to see a resolution of this.

2

3

5

6

7

9

10

11

13

14

15

17

18

19

20

22

23

24

and if they don't, then we'll have the board make a decision.

So whenever the board would like to hear from us with respect to a schedule, we'll be prepared and we're ready to pitch some fast balls.

JUDGE MILLER: Well, New York?

MR. PALOMINO: Judge Miller, as far as vital areas are concerned, I think LILCO takes two overview arguments.

One is that these are not on-site equipment. Maybe on-site equipment doesn't have to be secured, but since these are substituting for on-site equipment, they should be considered as required to be vital areas.

The regulations don't spell out vital areas and they're going to propose to do it in December, there's no question about that.

But the fact is that the TDIs that were laid out were put in vital areas. The coats that they have replacing them are also in vital areas.

And if the Commission is going to adopt regulations saying what vital areas are, then these should be in vital areas in December.

I just don't understand why LILCO is not interested in meeting that objective now rather than having us come back, or as soon as possible, rather than having

us come back in December and challenging it.

It seems to me that now's the time and place, and based on the fact that because of their functions, the TDIs and the coat are considered to be needed to be in vital areas, that these substituting for them, should be.

The hypothetical arguments that they're not on-site are a substitute, because they are on-site, and they are a substitute for on-site equipment.

As far as the Diablo Canyon case, I think Mr. Brown covered that fairly clearly, but we haven't set any standards.

It's up to them to meet the standars. As far as specificity, I don't think anything could make them happy as far as contentions are specific unless we gave them a new plan in contentions, and we can't do that.

Contentions are supposed to raise issues, you should try and meet them, and we should get together and make the plant as safe as possible for the people.

It might have its use. I don't think there's anything that needs to be said except that they argue the case rather than dealing with the contentions, not really giving valid, legal reasons for dismissing them.

They're just arguing. We could approve a schedule whereby we could try the issues and get a financial

security. I have nothing further to say.

JUDGE MILLER: Okay. Staff?

MR. PERLIS: Thank you. The staff position on the revised contentions is the same as it was for the original contentions.

Basically we see two contentions here. One is what I would consider rather bald assertion that the adequacy of the security for existing vital areas must be reassessed because of the new power configuration.

As to that contention, the county and state still have demonstrated no specificity or basis as to why the protection of the currently denominated vital areas needs to be changed.

As a contention that's insufficient, the staff has been in a process of preparing an affidavit responding to LILCO's filing, which we did not receive until Monday.

Hopefully we will have that affidavit here before the board within the hour.

That will explain technically why the staff believes there's just no reason to consider the protection of the currently listed vital areas because of the presence of a new configuration on-site and another new configuration outside of the protected area.

1

3

5

7

9

10 11

12

13 14

15

16 17

18

19

21

20

22 23

24

25

As to the other contention, that one can be stated very shortly, although I believe it's in either four or five of the contentions the county has supplied us with.

And that is that the new power configuration needs to be vitalized. As I indicated last time, the staff does not object to a contention alleging that they need to be vitalized.

I don't think we need five separate contentions for that purpose, though. I think anything stemming in the four or five contentions that deal with that issue all depend first on whether the turbine or the EMDs or both need to be vitalized.

If they're not, our security rules seem to state they don't require any protection. If they do need to be vitalized, then certain protection would be required.

But I think as a starting point, one needs to answer that question and then depending upon how it's answered, either the proceeding ends, or one then has to look at what protection needs to be afforded.

That's basically our position. We strongly oppose the admission of any contention dealing with the protection of items currently listed as vital items.

We see no need for it, and the contention doesn't

3

5

7

8 9

10

11

12

14

15

16

18

19

20

21

23

24

provide any indication in basis or specificity as to why the security plan for the plant as a whole needs to be changed.

As to whether items need to be vitalized, this staff does not oppose that contention.

MR. BROWN: Would it be permissible, Judge Miller, if Mr. Perlis were to tell us what contention he's referring to?

JUDGE MILLER: Yes.

MR. BROWN: In his first, not the second. What are you...

MR. PERLIS: The first?

MR. BROWN: Yes, you said the one that you objected to, and we're not sure which contention.

MR. PERLIS: Originally contention 1, in our view, dealt solely with the protection of the plan as a whole and not with protection of the new configuration.

Now that contention deals with both. It deals partially with the protection of currently listed vital areas and partially with the protection of the new power configuration.

Contention 2 solely deals with what I would list as our contention 2, and that is the protection of the new configuration.

JUDGE MILLER: 1 y to keep your voice up. What is

3

5

7

6

8

10

12

13

14

16

17

18

19

21

22

24

it, precisely, the staff is not objecting to? Which contentions?

MR. PERLIS: The contentions themselves, some of them seem to include parts of those of our contentions, both of ...

JUDGE MILLER: Both of your contentions?

MR. PERLIS: No. The contentions that we see that they're raising.

JUDGE MILLER: All I want to know for the record, what contentions or portions of contentions is the staff not objecting to?

MR. PERLIS: Contention 2.

JUDGE MILLER: Two?

MR. PERLIS: There are portions now of contention 1 which were not in contention 1 before, which now seem to be arguing that the diesels and gas turbine need to be vitalized.

I want to make clear that I think all of these contentions basically are the same as they relate to the contentions we don't object to, which is do these new items require any protection, or don't they?

Talking about the gas turbine and the EMDs, the gist of that contention is found now partially in contention 1 and particularly in the editing portions or the newer portions of contention 1.

1

3

•

6

9

10

11

13

14

16

17

18

19

21

22

24

25

I think it's in contention 2. I don't think it's in either contention 3 or 4. I think it is in contention 5, 6, and 7.

Those contentions are all saying the same thing, though, in our view.

It would be in 2, in portions of 1, in 5, 6, and 7.

It would not be in 3. It would not be in 4, it would

not be in portions of 1.

But again, I want to stress it's the same idea, that it all depends on whether this new equipment needs to be protected or not.

JUDGE MILLER: And you feel that contentions 5, 6, and 7 then are in the same vein as that portion of contention 1 to which you have no objection and as to contention 2 in its entirety? That's the staff's final position?

MR. PERLIS: Excuse me for a second. Let me look.

I want to make our position clear. It is not that

contentions 5, 6, 7, portions of 1 and 2 are admissible

as separate contentions.

All those contentions have as the basic idea behind all of those contentions, at least 2, 5, 6, 7 and portions of contention 1, are that the new power configuration needs to be vitalized.

That's the contention we don't object to. I don't

3

5

7

9

10

12

13

15

16

17

19

20

22

23

24

see anything in 5, 6, 7, and 2 that doesn't stem from whether or not they need to be vitalized.

If they don't need to be vitalized, the rest of those contentions goes away.

And the same would be true with the portions of contention 1, which relate to that same issue.

JUDGE MILLER: Anything further that hasn't been covered in the way of rebuttal and reputation?

MR. BROWN: I would like to just reply, thank you very much.

JUDGE MILLER: Let's see if LILCO has anything.

MR. IRWIN: I am hoping that this will...

JUDGE MILLER: You have to keep your voice up, too.

MR. IRWIN: I understand Mr. Brown desires to follow me. I hope I don't have to follow him. Let me just make a couple of points.

The first is that we agree with Mr. Perlis' characterization that one concept, that of whether the 20-megawatt turbine and the EMDs permeates the new material in contention 1 and is the gist of contention 2 and is intrensic to contentions 5, 6, and 7.

I frankly think it may sneak into some of the other contentions, but it's essentially one idea. I also agree that if the board considers that that notion is suitable for litigation, it should consider narrowing

the material admitted for litigation to frame that issue rather than admit what is now probably eight cumulative pages of contentions. No cumulative, but eight total pages of contentions which cover many other

potentially peripheral areas.

LILCO believes, as we've indicated, that these areas do not in these two pieces of equipment, do not need to be vital areas, and that the gist of this argument is intrensic to the whole proceeding to date and that saying that substitute equipment must be vital areas, must be classified as vital areas, is like saying that these pieces of equipment must be GDC-17.

It's intrensic to the exemption proceeding that if we can show equivalency and we believe we have, that you don't have to meet literal requirements of the regulations. That's what exemptions are all about.

Point two, Mr. Brown, as I had expected, has said that we're quibbling with evidence, and not with basic threshold issues.

We just simply don't agree. The county has had the plan in the procedures for two years and they have had, in our view, not just simply not gone in and shown why the existing plan, the existing procures, the existing post orders don't meet the requirements that are laid on the plant by the addition of these two pieces of

equipment. I won't go back into detail, but again, I think there's a difference between pleading evidence and failure to show a basis given what material is available and the stage of the proceeding and the availability of expertise.

In that connection, I'll just simply go back to the fact that we referred to the existence of the agreement not to plead in the stop argument because Mr. Brown is right, the Commission said...he's partially right, the Commission said that the existence of the agreement did not stop litigation, based on punitive issues.

The existence of the agreement is evidence of detailed knowledge and familiarity by the county on a long-term basis with what's at Shoreham. We don't believe they've made use of that.

Third, there's a question of delay. The accusation that LILCO is interested in delay simply astonishes me. The only delay LILCO is interested in avoiding is that of unnecessary litigation.

We believe that litigation is unnecessary for the reasons we've outlined. We have one suggestion for the board, and that is that if the board does admit one contention, and we don't believe it should, we request that the board certify the issue of whether or not the 20-megawatt turbine and the EMDs or either of them

should be vitalized to the Commission.

We believe that the submissions presently before the board are adequate for the board's determination on this at this point, although we'd be happy to supply anything further the board wished.

But I think that if no contentions are admitted, the proceeding is over and the country will no doubt have a legal right to take its appeal and the Commission has already said they'd review any kind of determination by this board before issuing a license.

So that issue would automatically go before the Commission if this proceeding were terminated on the basis of no contentions being admitted.

However, if the contention is admitted, we'd request certification of the issue at the same time as we go forward in preparation for hearing because we do feel it's an important question that is not answered against LILCO 's view coded by the regulations or practice, and we believe the regulations and practice clearly sustain this.

And I'll be happy to deal with Mr. Brown's suggestion of the schedule on a hypothetical basis.

JUDGE MILLER: We'll get into scheduling when we've completed hearing the arguments on the contentions.

Now Mr. Brown?

2

3

9

10

11

24

25

20

21

22

MR. BROWN: Yes, thank you, Judge Miller. Just to respond to Mr. Irwin's last point. I think that this is turning into a minuet with the Commission every time something happens, we hear words about certifying.

The security case has been there two times and it's just time to get it over with already, otherwise we'll put papers back and forth and quibble for another six months.

Where the staff has gone wrong is the staff is unwilling to look at its own regulations. 73.1 says the following:

It says that the stipulate design basis threat issue, (which no one has the right here to quibble), it says that it involves among other things the determined violent external assault, attack by stealth, or deceptive actions of several persons.

And another place, I believe, it uses the words diversion or diversionary, somewhere I believe those words are used.

But deception and diversion are certainly part of this. That the staff is unwilling to do is to admit that the new configuration can be used for that purpose as well as an end in itself.

That is, our contentions specifically recognize the real world. The new configuration of AC emergency

3

5

7

9

8

10

12

13

15

16

18

19

20

21

23

24

power could be used as an end in itself to be knocked out for the purpose of eliminating that source of power or it could be used as a diversion.

God knows what it would do specifically. That's for LILCO to make sure that its plan has high assurance against it.

One can conjure up simply blowing the place up is a diversion, thus, making vulnerable other portions of the plant.

Now, we have no problem with LILCO's existing plan with respect to what the configuration was that was looked at.

We're not seeking to relitigate any of that, and that's behind us and closed. What we're saying is that new configuration exists there.

And it has to be dealt with the two ways this regulation requires.

One is by direct assault on that for the purpose of taking it out, the other is for the purpose of taking it out as a means of something else, a diversion. And the staff fails to accept that.

And that is the shortcoming in the staff's objection. We don't quite understand this notion of filing affidavits here, because affidavits go to sworn statements, as to matters of fact, and that again is a

matter related to the merits.

To the extent to which the facts now are something the staff wants to get involved in, with it just further substantiates the need for us to get on with this and get it over with.

Otherwise, we keep quibbling here on the merits which ought to be dealt with in the form of a trial.

The very interesting fact was revealed, this is my last point, by the staff, which referred, or LILCO, I think, to the fact that all these detailed contentions we have, I believe, it was the staff, ought not be admitted and only the ones stating or contending that there be a vital area be admitted.

Just think what would have happened if the only contention we submitted is that the new configuration should be a vital area.

We would have been assaulted by the allegation, "That's not specific enough. You've got to tell us why.

You've got to have eight or nine or ten pages."
Well, we gave eight or nine or ten pages. We did
exactly what we would have heard otherwise.

And what do we hear now? "That's not specific enough. You've got to have 11, 12, or 40 pages, or just one page."

3

5

6

7

9

10

12

13

14

15

17

18

19

21

22

23

25

It's a moving target. We have complied with the requirements. We've been as specific as we can. Everyone understands this, and we just want to get it over with right now.

So we're ready to move forward.

JUDGE MILLER: Palomino?

MR. PALOMINO: Nothing further, your honor.

JUDGE MILLER: Anything further from anyone? Staff?

MR. PERLIS: Yes, thank you. First of all, one will never know how we would have responded had he submitted one contention.

I disagree with his assessment of what we would have done. I didn't hear from him, however, that he disagreed that basically they do all boil down to that one idea.

And it is still our position that they do, that every single one of the contentions that I enumerated earlier, the portion of 1, 2, 5, 6, and 7 all basically boils down to whether these areas need to be considered as vital or not and treated as vital or not. I want to stress that.

Secondly, insofar as Mr. Brown was talking about diversionary tactics, it is one of the principles of our regulatory program that if a diversionary attack

takes place outside of the protected area, this would apply to the gas turbine.

The security force is not supposed to leave the vital areas. Their first job is to protect the vital areas and therefore, the diversionary tactic, it would indicate to the security force that there were intruders in the near vicinity but that's all it would serve as a diversionary tactic, they are not supposed to respond.

Finally, I would also like to explain the purpose of the affidavit. That came because in the first set of contentions, Suffolk County made a bald assertion that whenever you change any portion of the site, in this case, the two new power sources, that the whole security plant had to be reassessed.

We took the opposite position that there was no generic need that the security plan had to be reassessed and changed.

And they provided no reason to believe the security plan had to be changed. All they said was, "You have to look at things again."

Well, LILCO looked at things and they had information in their filing that was dated August 24th, which we received on Monday, which indicated that in fact, they had considered the effect on the plant as

2

4

6

0

9

10

12

13

15

16

17

19

20

21

22

23

25

a whole, and they don't believe it changes the acceptibility of the plan for the plant as a whole.

We will submit an affidavit which has arrived. It is now being Xeroxed, I believe, which indicates the factual reasons why we believe that's not true.

But I want to make clear as a pleading matter that it was incumbent upon them to indicate why the plan did have to change, and that was never done.

JUDGE MILLER: Does that conclude the arguments on contentions?

MR. BROWN: The only point I would make on behalf of the county, I can't conceive of how someone can suggest that we didn't provide a reason why the plan ought to be looked at, in light of the fact that we just mentioned Section 73.55 (a) a dozen times in these contentions, and we must have mentioned it 20 other times.

It specifically says that the standard is high assurance of protection. And if that isn't enough for the staff, I can't think what would be.

73.55 (a) even goes on to say the Commission may authorize or establish an applicant or licensee to provide measures for protection against radiological sabotage other than those required by this section if the applicant or licensee demonstrates that the

1

3

5

6

8

9

10

12

13

15

16

17

18

20

22

21

23

24

measures have the same high assurance objective as specified in the paragraph in the overall level of system performance and so on.

I won't go through that, but that's the standard here. There are changes made, and that's what has to be looked at. That's the whole point of this proceeding.

JUDGE MILLER: Anything else?

MR. IRWIN: Just two quick observations, Judge
Miller. First, Mr. Perlis' discussion in response to
Mr. Brown's mentioning of direct assault, the contrast
between direct assault and stealth versus diversion...

JUDGE MILLER: Wait a minute. I'm not hearing you.

MR. IRWIN: I'm sorry. Let me deal with this logistic problem. Mr. Perlis just mentioned something which is, I think, important in describing how the NRC's regulations deal with stealth and diversion on equipment or anything outside of a protected area.

And he pointed out that the regulations by their structure simply tell applicants or licensees not to get diverted by those diversions.

Well, that is, in Mr. Brown's view, a fact to be litigated. In our view, that's a threshold fact.

That's the kind of fact that I've referred to as a difference between a moon rock and Swiss cheese.

If the regulations just simply preclude something, trying to place it in issue with contentions, just shouldn't be allowed.

And I think that permeates, as I mentioned earlier this morning. Finally, Mr. Brown again has come up with his complaint about the lack of a formal evalution by LILCO in a binder of the effects or lack thereof on its basic security structure.

He hasn't shown any place where there is a requirement for such a submission of a document. We performed that process, we described in on August 24, and if Suffolk County had answered our letters earlier, they might well have understood before now the thought process we engaged in.

And the fact that they didn't is not a basis for admission of contentions.

MR. BROWN: I do not believe this county has ever said anything about responding to letters or not as a basis for our contentions, and it's that kind of statement which really opfiscates what we're dealing with here.

It's important that we deal with what's written down and what the arguments are on a merits and not these kind of hyperbolic commentaries.

JUDGE MILLER: All right. I think that we're

clear, then, on hearing from counsel on the proposed revised contentions.

We'll take the matter under advisement. I think this would be a good time now to ask the parties for their suggestions as to revised scheduling, taking note of the fact that the Commission has expressed some concern about the schedule at least to the extent that it considered that the board might have been influenced by their guidance on expedited scheduling in COI-84-8.

Also in view of the fact that the schedule was adopted when the Commission indicated for the first time that the regulations pertaining to reopening the record or untimely filed contentions were not to be applied in this matter with regard to security, and therefore, while we were preparing, all the parties were preparing for the trial of all of the issues and contentions other than security.

We immediately, in seeking to follow the varying guidance of the Commission, established a schedule, using what materials were at hand, realizing, of course, that we didn't even know when the evidentary hearings up in Hoppague would terminate.

So a summary vision certainly would be unreasonable, but we're not trying to cast anything in concrete.

So we'll hear from all counsel concerning their suggestions as to proposed rescheduling of the security matters which we've been having in a separate or discrete issue.

Who wants to go first?

MR. BROWN: We've got a proposal we've prepared.

JUDGE MILLER: All right.

MR. BROWN: Thank you. Our view is that we can move this very quickly to a trial and then put the board in a position of making a decision at the board's earliest convenience thereafter by schedule which would eliminate discovery.

We have what LILCO provided to the board as what it's done. We would like only one element of what's normal discovery, and that would be a site visit.

In fact, we would respectfully suggest that perhaps the board itself would consider a site visit for this matter, but we would like to have that site visit during the very period that we'd like to do the testimony.

We would propose three weeks for the preparation and the filing of testimony. We would then propose the hearings start ten days to 14 days thereafter.

That would turn out to the following: if hypothetically this board were to make a ruling on

25 hy

contentions today, it would mean we would have the filing of testimony.

We'd have a site visit some time in the next few weeks that prove to be convenient to all the parties, and we'd have the testimony filed on the 20th, and we'd have the trial on October 2nd.

Our view is that the trial we're talking here is something that certainly ought to be over in two days or conceivably a third day.

We don't anticipate a lot of time there, and that's our proposal.

If the board wished to have something further in writing from the parties, a simultaneous filing of rebuttal testimony, for example, we would not object.

Our basic proposal would be that, and using, as I said, today as an admission date for contentions, it'd be September 20 and October 2 for commencement of trial.

JUDGE MILLER: State of New York? Mr. Palomino?

MR. PALOMINO: I had previously discussed with the county that I concur with that schedule.

JUDGE MILLER: Okay. Thank you. LILCO?

MR. IRWIN: Could you give me about 30 seconds to confer with Mr. Earley?

24 25

3

4

10

11

12

13

14

15

16

17

18

19

20

21

22

JUDGE MILLER: Yes.

MR. IRWIN: Judge Miller and members of the board, I'm sorry...LILCO is in favor also of bringing issues to trial if there is going to be a trial quickly.

The only aspect of Mr. Brown's proposal which is troublesome is that the county has already had full discovery of LILCO consisting of the security plan, the procedures, many other documents plus two years of correspondence, unlimited access to the site for a period of several months, and at least two recent site visits.

We've had no discovery whatsoever of the county.
We don't even know the names of their witnesses are
going to be, necessarily. We have a list of experts.

LILCO has a counter-proposal. I think that Mr.

Brown's suggestion of granting the county and its

experts one more site visit is, assuming satisfactory

arrangements can be made as to access, the numbers of

people and so forth, not unacceptable to LILCO.

LILCO, on the other hand, does need some discovery of the county's experts and we would be willing to take it in either or two fashions.

One is a discovery period during the testimony preparation period. The other would be staggered testimony filings.

And permission for LILCO to file its testimony, it's allowed, a week after the county filed its testimony with permission to take a total of, say, two days' depositions during that week in order to explore the bases of assertions made in the county's testimony.

We would frankly, with that modification, I would accept Mr. Brown's schedule.

JUDGE MILLER: Staff?

MR. PERLIS: The only problem the staff has with the schedule is the same as LILCO's. We would like either the opportunity to depose Suffolk County's witnesses or possibly as an alternative, the provision for filing a rebuttal testimony.

JUDGE MILLER: Do you have any time periods that you suggest?

MR. PERLIS: I would think if one went the rebuttal testimony route, the schedule could stay the way it is now except a week after September 20th the parties could file rebuttal testimony.

You could still go to trial on October 2nd with that.

JUDGE MILLER: Wait a minute. I didn't get your last remark.

MR. PERLIS: I think you could still go to trail on October 2nd with that.

JUDGE MILLER: All right. Any comments upon these various proposals?

MR. BROWN: Yes. If there is going to be a discovery, first of all, if there's going to be a discovery and deposition of our witness, certainly it ought to be the normal time it's done, not after the testimony's filed, so that it becomes, in effect, cross-examination.

And secondly, if the ground rules are going to be that there is a deposition period, we're going to do that, too, to gain whatever benefits there are.

LILCO suggests that we've got unlimited access. We frankly don't stroll into that facility the one time that our people visited it, it wasn't with all the security consultants for the purposes of focusing in on the contentions, which presumably would be admitted.

Secondly, the correspondence and other things that LILCO has suggested somehow give us some inside information and an advantage with respect to this new configuration, just is a mischaracterization of what that correspondence has been.

And if LILCO would like to take depositions of our people, we wouldn't object to it, but we would then want...we don't even know who their witnesses would be.

We want to know who their witnesses are, outside

consultants, people in the company, and we might well want to take their depositions, too.

And that would just mean an extension of this time period. We're prepared to go forth with what's on the public record now, which is exactly what LILCO knows, namely the five or six, I guess it was seven attachments they included.

We believe that's perfectly adequate for purposes of these contentions, and we'll go forward on that basis as long as the other parties will.

JUDGE MILLER: Anything further?

MR. BROWN: Otherwise, there's got to be more time.

JUDGE MILLER: Okay. Has everybody had his say on
this? All right. I take your suggestions for
rescheduling, then, under advisement, also.

I think also we were asked to take up the August 24 letter or communication from Suffolk County, and I assume this on behalf of the state as far as there is any commonality in the matters.

We understand the state...Mr. Palomino already has taken care of his own participation.

We did at the conclusion of the evidentary hearing all issues except the security or safeguards indicate that we would permit Suffolk County to lose three attorneys, two secretaries, two Suffolk County police

k

officials and two expert security consultants. And the first portion, therefore, of the letter of communication to the board is consistent with those indications and gives the appropriate information as to the identities, status, previous authorization and the like of each of those persons, now designated by name, seven in number.

Let me question, first of all, of the other parties. Do you have any objections to the granting of authorized persons status to the seven persons listed under the first section of the August 24 communication?

MR. LANPHER: It's nine people.

JUDGE MILLER: Oh, pardon me.

MR. LANPHER: Including the two secretaries.

JUDGE MILLER: Oh. They're not numbered?

MR. LANPHER: One through nine.

JUDGE MILLER: Six, seven. Oh, I see. Nine are the experts that were requested. Yes. Nine.

MR. IRWIN: LILCO has no objection to the nine people listed in category one of the county's letter. We believe that's a reasonable number.

JUDGE MILLER: Okay.

MR. PERLIS: Staff has no objection.

JUDGE MILLER: Staff. Very well. Those persons, then, will be permitted to participate as authorized

25

1

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

persons. If they haven't already done so, they may execute the affidavit. All right.

Now the next category, two, resumes and request pertaining to Chief Roberts and Inspector McGuire, Inspector Jenkins, and Mr. White.

MR. LANPHER: No, Judge. The next category which starts at the bottom of page five of that letter spelled out in more detail on the top of page six, pertains to additional Suffolk County police officials, Commissioner DeWitt Treader (phonetic), and then three officers, Competello (phonetic), Monteef (phonetic), and Toronto (phonetic).

JUDGE MILLER: Yes. Very well. Any objections, then, to the four officials, police officials, on page six of the communications?

MR. IRWIN: Yes, Judge Miller. LILCO does object to the addition of these four persons, and the reason is very simple.

The Suffolk County has not given any reason other than the fact that these four officers either occupy a position in a hierarchy which relates to Commissioner Treader or were involved at one time or another in various aspects of the security settlement proceeding two years ago in support of their admission.

I acknowledge that Commissioner Treader may need to

know what's going on, but one has to look at what safeguards information and safeguards information under the regulations is detailed information which respects either the potential for releases from special nuclear material or from the destruction of physical facilities.

The Suffolk County has given no explanation of why Chief Treader has to get into details. Commissioner Roberts...excuse me, Inspector Roberts and Inspector McGuire were the two Suffolk County policemen who dealt in detail with LILCO and the NRC staff two years ago.

They are fine men, good police officers, will make excellent witnesses if they appear, they're fully knowledgeable about the plan, Suffolk County has given no justification of why their expertise needs to be supplemented.

And I see no need to treble the number of police working on what Suffolk County believes is a case they can prepare in three weeks and try in two days.

JUDGE MILLER: Staff?

MR. PERLIS: The staff has no objection to these four people.

MR. LANPHER: Judge Miller, if I can respond just very briefly, I don't think it takes a lot of response. First of all, Commissioner Treader, the reasons, I

2

3

5

6

8

9

11

12

14

15

17

18

19

21

22

23

25

think should be obvious why he needs to be able to communicate with the officers working under him.

We would be willing to stipulate that he will not look at the security plan or documents themselves; he just needs...these are officers that work for him, and they need to be able to communicate with their boss.

And this was before Commissioner Dilworth (phonetic) the prior police commissioner was in this position of being able to communicate.

As noted in our letter, he is retired. Obviously he's not...he is a deleted authorized person. We don't intend to communicate any safeguards information with him, but in the course of conversations, Officers Roberts or McGuire might need to communicate some information that is either safeguards or arguably is safeguards.

And let me say one thing, Judge Miller. We take a very strict view on what is safeguards, and there's a fine line there or fuzzy line, if you want to call it that, and we want to make sure that we don't transgress any orders to this board.

And that's why we're asking that these officers be able to communicate with their boss. Second, the other officers, Competello, Monteef, and Toronto, are persons that deal very closely with Officers Roberts

3

5

7

9

10

12

13

14

15

16

18

19

20

21

23

24

25

and McGuire. For LILCO to say that we don't need these people to prepare our cases is...I just can't understand how LILCO feels they're in a position to say that.

These were the people that were really part of, frankly, the police officer team, if you want to call it, in the prior security proceedings.

They're all authorized people from the board,

Judge. They've had access to the safeguards

information previously.

The additional access that we're talking about here is very limited in the sense that it goes to the enhanced AC power system that we've been talking about.

I don't want to debate the point, but Officers
Roberts and McGuire have made clear that these other
officers are important to their ability to help prepare
the case for the county and to make the assessment on a
timely basis that are necessary.

We just don't see that there is any difficulty in allowing these gentlemen, who I'm sure LILCO will agree they know who these gentlemen are.

It's not as if they're not trustworthy. These are officers of the Suffolk County Police Department that take the responsibility very carefully.

And they are necessary for the preparation of the

case. Further, the protective order relating to law enforcement agencies seems that at least arguably allows access of these persons, even without signing affidavits, we'd certainly want them to sign the affidavit and non-disclosure.

And you've indicated, you want everyone to. But we think that you've already recognized the propriety of allowing law enforcement officials to participate.

MR. IRWIN: If Mr. Lanpher's citation of the regulation is correct, it's incomplete. The definition of authorized person includes people in various categories who have an actual need to know.

It's not the convenience of a person or a party which governs access to safeguards information; it's need to know in fact.

And the county, in our view, has failed to show that need to know on the part of these three officers.

MR. LANPHER: Judge Miller, I was not citing to the regulation; I was citing to your protective order dated August 17, paragraph 1-P, which includes appropriate law enforcement agencies on authorized persons.

JUDGE MILLER: Very well. What do you have to say to category three, which is Mr. John Gallagher, I believe, deputy county executive.

Is there any objection to that person?

MR. IRWIN: Judge Miller, in our view, Mr.

Gallagher, who is also a fine public servant, an outstanding man, and important to the policy-making functions of the county, has a perfect right to know the general outlines of matters pertaining to the Shoreham plant.

But I don't see any reason why he has to know the details of safeguards information, and I don't believe Suffolk County has alleged any specific technical expertise or decision-making function in his part that require knowledge of such details.

For that reason, while we don't oppose the county's discussing matters generally with him that don't involve safeguards information, then you've got to look at the definition of safeguards information.

We don't think he's demonstrated a need for access to it.

JUDGE MILLER: staff?

MR. PERLIS: The staff wouldn't object to this gentleman, your honor.

JUDGE MILLER: Anything further?

MR. LANPHER: Judge Miller, I think we've laid it out in our letter. We want the same access that was provided before to Deputy Executive Jones, who will no longer will be consulted about any such matter.

2

.

5

7

8

9

10

12

13

14

15

17

18

19

20

21

22

24

25

We will do our very best not to divulge any safeguards information, but it's a fuzzy line again.

And under the Code of Professional Responsibility, we have to be able to deal with the client.

So we're asking for a very limited ability to consult, and we really think that if we aren't able to do that, it puts us in a terrible quandry how we're supposed to deal with our client.

JUDGE MILLER: State the next category now.

Mr. Gregory C. Minor, a consultant with M.H.B.

Technical Associates.

Pages seven and eight has the fourth category. Any objections to Mr. Gregory Minor?

MR. IRWIN: Yes, Judge Miller. I'll note just parenthetically that by now we are up to seven additional persons, six, I'm sorry, beyond those permited by the board's order.

Lest we salami this letter and make fragmented decisions, Mr. Minor is put forth as a technical expert, not as a security expert.

Mr. Minor can answer questions as to the effect of certain disablements of plant features. He doesn't have to know about the security-related aspects of how those disablements occur.

The Diablo...and as Mr. Earley reminds me, those

kinds of disablements have in fact already been litigated, but I can understand how Mr. Minor might want to be consulted as to exactly how radiological consequences occur.

Nevertheless, he's not put forth as a security expert, and I think you have to have lines of demarcation, although I don't have the Diablo Canyon site handy, there is, and I'll be pleased to provide later, the case excluding technical experts who do not have security expertise from access to security information on the same basis that I've just argued today.

JUDGE MILLER: Staff?

MR. PERLIS: Staff also doesn't see a need for Mr. Minor to have access to the plant, to the security information.

We can well understand that the security experts wish to consult with him on technical matters relating to the operation of the diesels, but Mr. Minor would not need any access to safeguards material to be able to answer questions they would have about the operability of equipment.

And that's the only role that I can conceive that he would have.

MR. LANPHER: Judge Miller, as we made clear in a

letter, we are not asking that he have access to the security plan or any documents, you know, of LILCO that are stamped as safeguard information.

We are trying to keep his access as limited as possible. I think the characterization by LILCO is generally right that what we need is for him to be able to consult on the technical matters with security experts to answer their questions, explain ramifications, if particular types of events were to occur.

The very practical problem that we have, Judge
Miller, however, is the demarcation concerning exactly
what is safeguards information.

I'll tell you quite frankly, talking with Greg
Minor, he's got great reluctance to be in this
proceeding because of the safeguards nature in that.

But he also is very concerned about consulting and answering questions when inadvertently, perhaps, safeguards information might be divulged by security experts that perhaps just can't read the fine lines that should be there.

There should be some fine lines, and we're looking for a happy medium, really. We're not going to try to divulge safeguards information to him, except on an absolute need-to-know basis.

But there may be situations where he has to, and we're willing to make the representation that we're going to keep that to the absolute minimum and certainly never see the security plan.

But we have to look at the practical realities on how you proceed in these cases.

I will just note that in the prior...what do we call it...Lawrenson (phonetic) proceeding on security, Mr. Mark Goldsmith, another consulting firm acted as...he had some security experts, but primarily he was acting as a technical consultant to do just this kind of role, to explain things to the security...the primary security experts.

So he's not participating in this proceeding; that's why we're seeking such a technical individual. Thank you.

MR. IRWIN: Judge Miller, just let me add one thing. Mr. Lanpher is correct that LILCO did permit Mr. Goldsmith access to safeguards information in the earlier proceeding.

It was on the strength of a representation by Suffolk County that Mr. Goldsmith possessed security expertise as well as technical expertise.

No such representation has been made about Mr. Minor.

Mr.

JUDGE MILLER: What about the last request?
Michael S. Miller, Attorney, with the firm
representing...

MR. LANPHER: That wasn't intended as a request,

Judge Miller. We wanted to have a complete record here
to apprise you that Mr. Miller was involved in the
prior proceeding.

He continues, I know twice this week, I believe twice this week, he's received correspondence relating to this security plan from Mr. Irwin.

He gets that information, so we just wanted you to be aware of that.

MR. IRWIN: Mr. Miller is a conduit of information on the security agreement, and LILCO has no objection to his continuing that role.

JUDGE MILLER: I think that's all that's asked, really, in this. Okay. All right. Let's take a short recess.

Is there anything further now that anyone wishes to bring before the board or any new or different matters?

MR. PERLIS: Yes, sir. The staff has a number of copies of an affidavit from Charles Gaskan. I don't know if the board wants it still, but it deals with the adequacy of protection for the security plan as a whole, for the vital areas currently protected, and how

that is actually not affected by the presence of the gas turbine and the EMDs.

JUDGE MILLER: Well, how would that not be evidentary in nature?

MR. PERLIS: I believe at the last pre-hearing, the board asked Suffolk County...I'm sorry, asked LILCO to demonstrate this very thing in paper, and that was one of the primary reasons that they came up with their August 24th document.

Due to the short time span, we were unable to prepare this affidavit earlier.

But it's primarily also in response to what we thought the board was asking.

JUDGE MILLER: Well, the staff intended to file something pursuant to our request of LILCO to indicate what analysis it had made, what the plan provided in possession of a copy of and to give us in writing the state of the record of LILCO's position, activities, and the like.

Now the staff certainly was present at that session and had the staff wanted to do anything similar, either pro or con, certainly it should have done so seasonably.

MR. PERLIS: It was my understanding that you had asked the parties to respond to what LILCO submitted.

If that's incorrect...

JUDGE MILLER: I don't recall that. I certainly would have given the opportunity, but what I meant by response was something a little sooner than the cose of the arguments of counsel scheduled as part of this special pre-hearing conference.

That's running a little late.

MR. PERLIS: I just want to clear this. This affidavit was put forth to respond to issues covered by LILCO in their filing.

JUDGE MILLER: Issues covered what?

MR. PERLIS: By LILCO in their August 24th filing, which we didn't get until this Monday.

JUDGE MILLER: Is there anything in...you didn't get the August 24th filing of LILCO until this morning?

MR. PERLIS: This Monday.

JUDGE MILLER: Oh, I'm sorry, this is Thursday.

Well, was there anything in there that was new, novel, or took you by surprise?

MR. PERLIS: I can't say there was anything in there that took us by surprise, no.

JUDGE MILLER: Or new or novel?

MR. PERLIS: It was written on paper. In that sense...

JUDGE MILLER: Before, it was just people talking

to people and now you put it on paper. But other than that, then, you don't attribute any particular novelty to you and to the technical staff, then?

MR. PERLIS: No, again, it was my understanding that the board wanted us to respond to LILCO's filing. If that was incorrect...

JUDGE MILLER: No, we didn't care if you responded or not. We certainly gave you the opportunity, but we were asking LILCO as a party, which had made the request for exemption to indicate the nature of the plan, to furnish a copy of it, and indicate what analysis had been made and to do it in writing.

The other parties were free to respond or not. You notice that we indicated to Suffolk County that they were free to amend or refine the contention in light of that filing if they wished.

We wouddn't have required them to do it, but it was helpful that they did. The staff was helpful, but a little dilatory.

I think we don't want to encumber the record now with these suppositious affidavits at this late date, we don't know what it goes into.

We don't want to go up that ball bat again, so we'll deny the request of staff to file whatever affidavit it is at this time.



2

3

4

5

6

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

MR. PERLIS: Thank you.

JUDGE MILLER: Anything further? Okay, we'll take a short recess.

(Whereupon, a ten-minute recess was held.)

JUDGE MILLER: We go back on the record now. Let me inquire. I've given the reported a copy of the transcript with the corrections or changes noted by LILCO.

I think your cover letter indicated you may have conferred with some counsel, staff, and I'm not sure about the country.

At any rate, let me request anybody who has any corrections and additions to turn them in to the reporter, because we have considered that that transcript is wholly unacceptable to our purposes.

We therefore ask that it be completely redone, so any notes, some of it was substantial mistakes, not of spellings or even of names, but of intent and purpose of argument, things of that kind.

We deem it wholly unacceptable. We ask that it be completely redone, keeping the same pagination or at least we're not going to change pagination as a result.

So anybody that has anything in addition that would be helpful in recompiling that particular transcript, I request that you submit them to the reporting service.



3

4

5

6

8

9

10

11

13

14

16

17

18

19

20

21

23

24

25

Now as to today's proceeding, this is, as I told the reporter, in-camera, handled separately, this starts, I believe, with page S-95.

These are all "S" numbers, S-1, S-2, and so forth. I think it commences with S-95, because my copy seems to end on S-94.

Is this compatible with counsel's understanding?

Let's be sure that we have continuous, consecutivelynumbered pages and this in-camera proceeding would be
an "S" number.

MR. PERLIS: Mr. Chairman, our copy ended with S-94 as well.

JUDGE MILLER: Okay. Then commence with S-95, if you will, please, Miss Reporter. I've also asked now if there are any uncertainties that the reporter has as to the names, spellings, use of terminology, anything of the kind, that she asks as soon as we conclude, which will be very shortly.

So she will have the benefit of whatever assistance she may need to get us a reasonably accurate transcript.

The board has determined to take under advisement the various matters that were discussed by counsel and heard by the parties.

We expect to issue an order with reasonable



.

3

.

7

8

10

12

13

15

16

17

18

20

21

22

23

25

promptness, probably, I should think, probably Tuesday, Labor Day being Monday of next week.

Let me ask, Miss Reporter, when can we get the transcript of today's argument here in Bethesda before this board in hand?

MS. BECKER: It goes to NRC tomorrow morning.

JUDGE MILLER: We'd like to. It doesn't do much good down there on H Street, except it satisfies whatever the regulations are, but we're going to have to work with it, so we'd like to have it here in our Bethesda offices tomorrow morning.

MS. BECKER: Okay.

JUDGE MILLER: By noon, if possible. So see what can be done. If you have any problems, let our people here know, so they can try to go through a tape, if that's what it takes.

Did the staff indicate you had some interest in that, or were you just shaking your head to be pleasant? All right, strike that.

I think then, as I say, we will get the appropriate orders out and we thank counsel and parties. You've covered the thing very well and very professionally, the issues before us.

If there is nothing in addition, we will stand, then, in recess at this time. Thank you, Mr. Marshall. (Whereupon, the meeting recessed at 12:00 p.m.)

CERTIFICATE OF PROCEEDINGS

2

1

3

3

5

6

7

0

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

25

This is to certify that the attached proceedings before the NRC COMMISSION

In the matter of:

LONG ISLAND LIGHTING COMPANY

SHOREHAM NUCLEAR POWER PLANT

Date of Proceeding: AUGUST 30, 1984

Place of Proceeding: BETHESDA, MARYLAND were held as herein appears, and that this is the original transcript for the file of the Commission.

BARBARA BECKER

Official Reporter

Barbara & Berhan Official Reporter - Signature

DEBORAH REID, TECHNI-TYPE

Official Transcriber

Debrah leid . Jechni . Jype Official Transcriber - Signature MR. BROWN: Yes, we are, Judge Miller. I'm going to be very brief. We also have a proposal for later, which will just get this whole matter moving on.

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

I think you once referred to it as a great deal of winding up and no one ever pitches the ball. We're ready to pitch right now.

What we heard from LILCO is exactly the same thing for the third time. We heard it orally at great length at our last conference.

We saw it in writing, and now we've heard it for the third time. And what it is that LILCO is doing is that they're arguing the merits.

They're arguing evidence and saying on the merits that they can demonstrate why. And that's the whole point of the litigation.

The Commission said we ought to go forward as long as the several requirements were met, and each of those requirements is met.

We don't have any contentions that are challenging the regulations, and we have contentions which are specific.

What LILCO is doing, for some reason we can't understand, is just generally finding problems with our contentions, and they're like moving targets.

D.C. Area 261-1902 • Balt. & Annap. 269-6236

Whatever words we have, LILCO says it's not

specific enough. They haven't come in with anything specific and said, "Well, change this in one way or another. If you can do that, that would be satisfactory."

Instead, they just want to quibble over the general word, whether it's specific or not.

JUDGE MILLER: Pardon me. Did someone just come in? Yes.

MR. GASANDO: Judge Miller, my name is Gary

Gasando. I work for the Long Island Lighting Company.

JUDGE MILLER: Thank you. Proceed.

MR. BROWN: So it's just a rut hearing as far as we're concerned. The second thing is that we're getting into a situation here where we're simply confronted with delay.

It's time for a decision, and I think that what we can reply with here make it possible for the board to stand at the threshold of a very prompt ruling on these contentions.

The fact is, and it was demonstrated by LILCO's filing of the 24th of August, is that LILCO did nothing.

The earliest document which came in, I think, was dated the 14th of May, and that May 14th filing is the first notion of LILCO considering that there might be

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

ATOMIC SAFETY AND LICENSING BOARD

Before Administrative judges Marshall E. Miller, Chairman Glenn O. Bright Elizabeth B. Johnson

In the Matter of
LONG ISLAND LIGHTING COMPANY
(Shoreham Nuclear Generating Plant,
Unit 1)

Docket No. 50-322-0L-4 (Low Power)

AFFIDAVIT OF NON-DISCLOSURE

- I, <u>Debrah Dianne leid</u>, being duly sworn, state:
- 1. As used in this Affidavit of Non-Disclosure, (a) "protected information" is (1) any form of the physical security plan for the Applicant's Shoreham Nuclear Power Station; or (2) any information obtained by virtue of these proceedings which is not otherwise a matter of public record and which deals with or describes details of the security plan; (b) an "authorized person" is (1) an employee of the Nuclear Regulatory Commission entitled to access to protected information; (2) a person who, at the invitation of the Atomic Safety and Licensing Board ("Licensing Board"), has executed a copy of this Affidavit; (3) a person employed by Long Island Lighting Company, the

Applicant, and authorized by it in accordance with Commission regulations to have access to protected information, or (4) counsel for Long Island Lighting Company.

- 2. I shall not disclose protected information to anyone except an authorized person, unless that information has previously been disclosed in the public record of this proceeding. I will safeguard protected information in written form (including any portions of transcripts of in camera hearings, filed testimony or any other documents that contain such information), so that it remains at all times under the control of an authorized person and is not disclosed to anyone else. It is understood that any secretaries having access to protected information shall execute Affidavits of Non-Disclosure and shall have such access solely for the purpose of necessary typing and other support services.
- 3. I will not reproduce any protected information by any means without the Licensing Board's express approval or direction. It is understood, however, that pleadings which are necessary to be prepared in this proceeding can be reproduced, provided that each copy thereof is maintained in confidence as required by the Board's protective order described hereafter. So long as I possess protected information, I shall continue to take these precautions until further order of the Licensing Board.
- 4. I shall similarly safeguard and hold in confidence any data, notes, or copies of protected information by means of the following:

- (a) Except as otherwise permitted in the Board's Protective

 Order entered August 16, 1984, my use of the protected information will
 be made at a facility on Long Island to be made available by Long Island
 Lighting Company or at a facility in Silver Spring, Maryland, made
 available by the NRC Staff.
- (b) Except as otherwise permitted in the Board's Protective
 Order entered August 16, 1984, I will keep and safeguard all such
 material in a safe to be provided by Long Island Lighting Company or the
 NRC Staff, after consultation with Long Island Lighting Company or the
 Staff, and to be located at all times at the above-designated locations.
- (c) Except as otherwise permitted in the Board's Protective
 Order entered August 16, 1984, any secretarial work performed at my
 request or under my supervision will be performed at the above locations
 either (1) by a secretary provided by the Long Island Lighting Company
 or the NRC Staff authorized in accordance with paragraph 1(b) above, or
 (2) by a secretary of my designation who has been authorized by the
 Board to perform such work.
- (d) Necessary typing and reproduction equipment will be furnished by Long Island Lighting Company and the NRC Staff when secretarial work is performed at the LILCO or Staff offices.
- 5. I shall use protected information only for the purposes of participation in matters directly pertaining to Suffolk County's security contentions and any hearings that may be held or any further

proceedings in this case dealing with security plan issues, and for no other purpose.

- 6. At the conclusion of this proceeding, I shall account to the Licensing Board or to a Commission employee designated by that Board for all papers or other materials (including notes and papers prepared by me) containing protected information in my possession. I may either destroy the papers which do not need to be saved (such as unimportant notes) and certify that action in writing, or for papers which need to be saved (such as transcripts) may deliver them as provided herein. When I have finished using the protected information they contain, but in no event later than the conclusion of this proceeding (including any necessary appeals), I shall deliver those papers and materials that were not destroyed to the Licensing Board (or to a Commission employee designated by the Board), for safekeeping during the lifetime of the plant.
- 7. I make this agreement with the understanding that I will not corroborate the accuracy or inaccuracy of information obtained outside this proceeding by using protected information gained through participation in matters directly pertaining to Suffolk County's

security contentions and any hearing that may be held or any further proceedings in this case dealing with security plan issues.

Debrah Dianne Neid

Subscribed and sworn to before me this

day of august, 1984.

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

ATOMIC SAFETY AND LICENSING BOARD

Before Administrative judges Marshall E. Miller, Chairman Glenn O. Bright Elizabeth B. Johnson

In the Matter of
LONG ISLAND LIGHTING COMPANY
(Shoreham Nuclear Generating Plant,
Unit 1)

Docket No. 50-322-0L-4 (Low Power)

AFFIDAVIT OF NON-DISCLOSURE

I, Barbara J. Beck, being duly sworn state:

1. As used in this Affidavit of Non-Disclosure, (a) "protected information" is (1) any form of the physical security plan for the Applicant's Shoreham Nuclear Power Station; or (2) any information obtained by virtue of these proceedings which is not otherwise a matter of public record and which deals with or describes details of the security plan; (b) an "authorized person" is (1) an employee of the Nuclear Regulatory Commission entitled to access to protected information; (2) a person who, at the invitation of the Atomic Safety and Licensing Board ("Licensing Board"), has executed a copy of this Affidavit; (3) a person employed by Long Island Lighting Company, the

Applicant, and authorized by it in accordance with Commission regulations to have access to protected information, or (4) counsel for Long Island Lighting Company.

- 2. I shall not disclose protected information to anyone except an authorized person, unless that information has previously been disclosed in the public record of this proceeding. I will safeguard protected information in written form (including any portions of transcripts of in camera hearings, filed testimony or any other documents that contain such information), so that it remains at all times under the control of an authorized person and is not disclosed to anyone else. It is understood that any secretaries having access to protected information shall execute Affidavits of Non-Disclosure and shall have such access solely for the purpose of necessary typing and other support services.
- 3. I will not reproduce any protected information by any means without the Licensing Board's express approval or direction. It is understood, however, that pleadings which are necessary to be prepared in this proceeding can be reproduced, provided that each copy thereof is maintained in confidence as required by the Board's protective order described hereafter. So long as I possess protected information, I shall continue to take these precautions until further order of the Licensing Board.
- 4. I shall similarly safeguard and hold in confidence any data, notes, or copies of protected information by means of the following:

- (a) Except as otherwise permitted in the Roard's Protective

 Order entered August 16, 1984, my use of the protected information will

 be made at a facility on Long Island to be made available by Long Island

 Lighting Company or at a facility in Silver Spring, Maryland, made

 available by the NRC Staff.
- (b) Except as otherwise permitted in the Board's Protective Order entered August 16, 1984, I will keep and safeguard all such material in a safe to be provided by Long Island Lighting Company or the NRC Staff, after consultation with Long Island Lighting Company or the Staff, and to be located at all times at the above-designated locations.
- (c) Except as otherwise permitted in the Board's Protective Order entered August 16, 1984, any secretarial work performed at my request or under my supervision will be performed at the above locations either (1) by a secretary provided by the Long Island Lighting Company or the NRC Staff authorized in accordance with paragraph 1(b) above, or (2) by a secretary of my designation who has been authorized by the Board to perform such work.
- (d) Necessary typing and reproduction equipment will be furnished by Long Island Lighting Company and the NRC Staff when secretarial work is performed at the LILCO or Staff offices.
- 5. I shall use protected information only for the purposes of participation in matters directly pertaining to Suffolk County's security contentions and any hearings that may be held or any further

proceedings in this case dealing with security plan issues, and for no other purpose.

- 6. At the conclusion of this proceeding, I shall account to the Licensing Board or to a Commission employee designated by that Board for all papers or other materials (including notes and papers prepared by me) containing protected information in my possession. I may either destroy the papers which do not need to be saved (such as unimportant notes) and certify that action in writing, or for papers which need to be saved (such as transcripts) may deliver them as provided herein. When I have finished using the protected information they contain, but in no event later than the conclusion of this proceeding (including any necessary appeals), I shall deliver those papers and materials that were not destroyed to the Licensing Board (or to a Commission employee designated by the Board), for safekeeping during the lifetime of the plant.
- 7. I make this agreement with the understanding that I will not corroborate the accuracy or inaccuracy of information obtained outside this proceeding by using protected information gained through participation in matters directly pertaining to Suffolk County's

security contentions and any hearing that may be held or any further proceedings in this case dealing with security plan issues.

Barbara J. Beck

Subscribed and sworn to before me this

Both day of anguest, 1984.

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

ATOMIC SAFETY AND LICENSING BOARD

Before Administrative judges Marshall E. Miller, Chairman Glenn O. Bright Elizabeth B. Johnson

In the Matter of

LONG ISLAND LIGHTING COMPANY

(Shoreham Nuclear Generating Plant,
Unit 1)

Docket No. 50-322-0L-4 (Low Power)

AFFIDAVIT OF NON-DISCLOSURE

- I, <u>DAVID</u> L <u>BECKER</u>, being duly sworn, state:
- 1. As used in this Affidavit of Non-Disclosure, (a) "protected information" is (1) any form of the physical security plan for the Applicant's Shoreham Nuclear Power Station; or (2) any information obtained by virtue of these proceedings which is not otherwise a matter of public record and which deals with or describes details of the security plan; (b) an "authorized person" is (1) an employee of the Nuclear Regulatory Commission entitled to access to protected information; (2) a person who, at the invitation of the Atomic Safety and Licensing Board ("Licensing Board"), has executed a copy of this Affidavit; (3) a person employed by Long Island Lighting Company, the

Applicant, and authorized by it in accordance with Commission regulations to have access to protected information, or (4) counsel for Long Island Lighting Company.

- 2. I shall not disclose protected information to anyone except an authorized person, unless that information has previously been disclosed in the public record of this proceeding. I will safeguard protected information in written form (including any portions of transcripts of in camera hearings, filed testimony or any other documents that contain such information), so that it remains at all times under the control of an authorized person and is not disclosed to anyone else. It is understood that any secretaries having access to protected information shall execute Affidavits of Non-Disclosure and shall have such access solely for the purpose of necessary typing and other support services.
- 3. I will not reproduce any protected information by any means without the Licensing Board's express approval or direction. It is understood, however, that pleadings which are necessary to be prepared in this proceeding can be reproduced, provided that each copy thereof is maintained in confidence as required by the Board's protective order described hereafter. So long as I possess protected information, I shall continue to take these precautions until further order of the Licensing Board.
- 4. I shall similarly safeguard and hold in confidence any data, notes, or copies of protected information by means of the following:

- (a) Except as otherwise permitted in the Board's Protective

 Order entered August 16, 1984, my use of the protected information will
 be made at a facility on Long Island to be made available by Long Island
 Lighting Company or at a facility in Silver Spring, Maryland, made
 available by the NRC Staff.
- (b) Except as otherwise permitted in the Board's Protective Order entered August 16, 1984, I will keep and safeguard all such material in a safe to be provided by Long Island Lighting Company or the NRC Staff, after consultation with Long Island Lighting Company or the Staff, and to be located at all times at the above-designated locations.
- (c) Except as otherwise permitted in the Board's Protective
 Order entered August 16, 1984, any secretarial work performed at my
 request or under my supervision will be performed at the above locations
 either (1) by a secretary provided by the Long Island Lighting Company
 or the NRC Staff authorized in accordance with paragraph 1(b) above, or
 (2) by a secretary of my designation who has been authorized by the
 Board to perform such work.
- (d) Necessary typing and reproduction equipment will be furnished by Long Island Lighting Company and the NRC Staff when secretarial work is performed at the LILCO or Staff offices.
- 5. I shall use protected information only for the purposes of participation in matters directly pertaining to Suffolk County's security contentions and any hearings that may be held or any further

proceedings in this case dealing with security plan issues, and for no other purpose.

- 6. At the conclusion of this proceeding, I shall account to the Licensing Board or to a Commission employee designated by that Board for all papers or other materials (including notes and papers prepared by me) containing protected information in my possession. I may either destroy the papers which do not need to be saved (such as unimportant notes) and certify that action in writing, or for papers which need to be saved (such as transcripts) may deliver them as provided herein. When I have finished using the protected information they contain, but in no event later than the conclusion of this proceeding (including any necessary appeals), I shall deliver those papers and materials that were not destroyed to the Licensing Board (or to a Commission employee designated by the Board), for safekeeping during the lifetime of the plant.
- 7. I make this agreement with the understanding that I will not corroborate the accuracy or inaccuracy of information obtained outside this proceeding by using protected information gained through participation in matters directly pertaining to Suffolk County's

security contentions and any hearing that may be held or any further proceedings in this case dealing with security plan issues.

David of Backer

Subscribed and sworn to before me this

30 day of AUGUST , 1984.

Salan J. Decky