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

October 12, 1984

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Samuel J. Chilk, Secretary
Office of the Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Chilk:

On September 19, 1984, the Licensing Board presiding over the low power exemption phase of the Shoreham operating license proceeding issued an Order denying revised security contentions. By its own terms, the Order was immediately referred to the Commission (see Order at Page 20). Because this Order is pending before the Commission, the Staff would like to advise the Commission of certain recent developments touching on an issue addressed in the Board's Order.

On September 11, 1984, the Staff sent a letter to LILCO expressing the Staff's view that NRC regulations required that certain security measures be taken for the alternative backup AC power sources to be used at Shoreham during low power operation. The Staff immediately notified the Licensing Board and parties to the proceeding of its opinion. In its September 19th Order, the Board disagreed with the Staff and ruled that the regulations do not require that any of the alternative power sources be protected as vital equipment during low power operation (see Order at 4-9). Under Section 2.717(b) of the Commission's Regulations, the Board's decision is (unless overturned on appellate review) controlling.

On October 2, 1984, LILCO notified the Staff by letter from John Leonard to Harold Denton (SNRC-1090, a copy of which is attached) that notwithstanding the Board's September 19th Order, LILCO would voluntarily commit to implement certain identified enhancements to the physical security arrangements affecting the GM-EMD alternative backup power sources at Shoreham. These enhancements would be implemented before Phase III of low power operation and would remain in effect until such time as the plant receives approval to operate using a qualified onsite backup AC power source meeting the requirements of GDC 17.

The Staff has reviewed the commitments identified in SNRC-1090 and has notified LILCO (by letter dated October 10, 1984 from A. Schwencer to John Leonard, a copy of which is attached) that those commitments adequately resolve the security concerns that gave rise to the Staff's letter of September 11. Under the circumstances, the Staff wishes to notify the Commission and the parties to this proceeding that it now considers any disagreements it may have with the Licensing Board's Order on this matter to be moot.

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Please be advised that this package contains physical security/safe-guards material and should be handled accordingly.

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Sincerely,



Robert G. Perlis
Counsel for NRC Staff

cc w/attachs: Herbert Brown, Esq.
Donald Irwin, Esq.
Fabian Palomino, Esq.