



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

July 15, 1983

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MEMORANDUM FOR: H.R. Denton, Director/NRR ✓
R.C. DeYoung, Director/IE
R.B. Minogue, Director/RES
Guy Cunningham, ELD

FROM: William J. Dircks
Executive Director for Operations

SUBJECT: SHOREHAM PANEL

Attached is the list of issues that the Cuomo Commission will be addressing during its deliberations. I discussed these issues at the staff meeting this morning.

Handwritten signature of William J. Dircks
William J. Dircks
Executive Director
for Operations

Enclosure

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NRR

Attached the general charge delivered to the Shoreham Panel by Dr. Marburger at its first session. There was unanimous agreement that these are the generic issues which should be addressed. The Panel has not developed a precise list of questions to answer. This is an evolving process. The Panel has established steering committees on specific issues. These committees are framing the issues and raising questions for consideration by the Panel. Questions have been developed by outside parties.

While a precise list of specific questions has not been developed, this does not mean there is no consensus regarding what issues should be examined. Among the issues under review by the Panel and the steering committees are the following:

a) Safety:

1. What are the nature and manner of risks associated with the operation of a nuclear power plant?

2. What are the nature and manner of risks associated with the operation of the Shoreham facility?

3. Are there elements of the Shoreham facility which make the nature and manner of risks associated with its operation different from those associated with nuclear plants generally?

4. What are the requirements imposed by NRC and FEMA for off-site preparedness?

5. What are the reasons why Suffolk County asserts that it is impossible to develop an adequate off-site preparedness plan?

6. What are the essential differences between LILCO's preparedness plan and the Suffolk County plan rejected by the County Legislature?

7. What responsibility and authority does the State have for off-site emergency preparedness?

Economic

1. Assuming standard ratemaking procedures, what is the projected impact on LILCO's ratepayers if Shoreham should operate? If Shoreham does not operate?

2. Assuming various scenarios for phasing-in the costs of Shoreham (5 years, 10 years, etc.), what is the projected impact on LILCO's ratepayers if Shoreham should operate? Would this be any different if Shoreham does not operate?

3. Assuming that the PSC should conclude that some portion of Shoreham's costs was imprudently incurred, and assuming both standard ratemaking procedures and various phase-in scenarios, what would be the impact on LILCO's ratepayers if Shoreham should operate? If Shoreham should not operate?

4. Suffolk County officials have stated that it would cost LILCO ratepayers no more to keep Shoreham closed than it would to operate Shoreham. What are the bases for this conclusion?

5. What is LILCO's current financial situation? What are the amount and potential sources of revenue required to service the debt on Shoreham and to enable LILCO to meet its normal operating costs?

6. For financial reasons, should LILCO be required to divest itself of its interest in Nine Mile II? How should this be done?

7. In the event of LILCO's bankruptcy, what consequences would occur? To shareholders? Bondholders? Ratepayers?

8. Should consideration be given to creation of a public utility on Long Island to replace LILCO? How would this be done?

9. Should PASNY be required to acquire Shoreham? Should PASNY acquire additional LILCO facilities? Should PASNY replace LILCO? What would be the economic consequences for ratepayers and local governments of such an action?

10. Is it possible to quantify the projected revenue impacts on local governments and on Long Island's economy of these various scenarios?

c) Energy

1. What is the projected growth demand of the LILCO service territory?

2. Is Shoreham needed to meet projected demand among LILCO customers?

3. Is Shoreham necessary to increase reliability within LILCO's system?

4. If additional power is needed to meet growth demand, and if Shoreham should not operate, what alternative sources of power are available?

5. Should LILCO be required to convert some of its oil-fired facility to coal as a means of reducing rate increases?

6. What are the transmission limitations upon the importation of additional power to Long Island?

7. Assuming scenario 4, what role can conservation play in reducing the demand for additional power?

8. Assuming that Shoreham does not operate, should the proposed Jamesport coal plant be revived?