



CHAIRMAN

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

PDR

June 3, 1988

The Honorable Julius W. Becton, Jr., Director
Federal Emergency Management Agency
Washington, D.C. 20472

Dear Mr. Becton:

As requested in your telephone conversation with me yesterday afternoon, this reaffirms the Commission's position, as stated in the letter of June 1 to your Mr. Grant Peterson from Mr. Victor Stello, Jr., NRC Executive Director for Operations, that the Commission has no basis at this time to recommend that the planned FEMA evaluated exercise for the Long Island Lighting Company (LILCO) offsite emergency plan should not proceed as scheduled.

Subsequent to Mr. Stello's letter, we have received the enclosed letter from Mr. William Catacosinos, Chairman and Chief Executive Officer of LILCO, which states that it is the intention and desire of LILCO to continue the Shoreham licensing process, including the exercise of the utility emergency plan scheduled for next week.

Under our regulations, no operating license for a nuclear power reactor will be issued unless we find that there is reasonable assurance that adequate protective measures for the public health and safety are available in the event of a radiological emergency. As you are aware, the only remaining safety issue of any significance for NRC licensing the operation of the Shoreham plant is the adequacy of the utility emergency plan for the facility's emergency planning zone. The full participation exercise scheduled for next week is a critical element for the decision process for that remaining safety issue.

Under these circumstances, and in the absence of any good cause being shown to the contrary, the Commission is of the unanimous view that, as the responsible licensing agency, it should continue the Shoreham licensing process and that the exercise should be performed as scheduled.

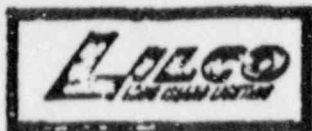
If you desire further information on this matter, please do not hesitate to contact me.

Sincerely,

Lando W. Zech Jr.
Lando W. Zech Jr.

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PDR

Enclosure:
Ltr. to J. Taylor fm J. Catacosinos
of LILCO dtd 06/01/88 w/attachment



LONG ISLAND LIGHTING COMPANY

EXECUTIVE OFFICES: 178 EAST OLD COUNTRY ROAD • HICKSVILLE, NEW YORK 11801

WILLIAM J. CATACOSINOS
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

June 1, 1988

Mr. James M. Taylor
Deputy Executive Director
Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20555

Dear Mr. Taylor:

Enclosed is a copy of the letter addressed to Mr. Stello that specifically states LILCO's desire and intention to continue the licensing of the Shoreham Nuclear Power Plant.

Very truly yours,

W.J. Catacosinos -

WJC:kam

Enclosure

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LONG ISLAND LIGHTING COMPANY

EXECUTIVE OFFICES: 178 EAST OLD COUNTRY ROAD • HICKVILLE, NEW YORK 11801

WILLIAM J. CATACOSINOS
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

June 1, 1988

Mr. Victor Stello
Executive Director
U.S. Nuclear Regulatory
Commission
One White Flint North
11555 Rockville Pike
Room 17H1
Rockville, Maryland 20852

Re: Shoreham Nuclear Power Station

Dear Mr. Stello:

This letter will confirm our oral advice to you last week that LILCO has reached an agreement in principle concerning a settlement of issues between it and various government agencies in New York State relating to the Shoreham Nuclear Power Station. We are in the process of drafting documents to reflect these agreements. Even after they have been completed and signed, the agreement will not become effective until a number of contingencies have occurred, a process that will take approximately three months. LILCO will continue the licensing of the plant until such time as all contingencies have been satisfied, at which time Commission approval of the transfer of control of the plant and its relevant licenses will be sought. During the three-month period contemplated for satisfaction of the contingencies, the company has agreed not to operate the plant at greater than 5 percent of full power should the Commission remove its present restriction on the license to low power and testing operations.

As soon as documents reflecting the agreement to enter into a settlement have been completed we will provide them to you and your staff. In the meantime, it is the intention and desire of the company to continue the Shoreham licensing process, including the full participation exercise scheduled for next week of the utility emergency plan for the Shoreham EP2.

Sincerely,

W. J. Catocsinos

WJC/cb

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