

August 3, 2007

Mr. Stanley H. LaCrosse
N1460 Highway B
Kewaunee, WI 54216

Dear Mr. LaCrosse:

Your letter to President Bush, dated June 19, 2007, was forwarded to the U.S. Nuclear Regulatory Commission (NRC) for response. In your letter you raised three concerns: (1) distribution of State utility tax revenue; (2) delays in moving the spent nuclear fuel from the Dominion Kewaunee nuclear power plant site to Yucca Mountain; and (3) the establishment of an interim spent fuel dry storage facility to keep the Kewaunee plant operating, a cost that will be borne by Dominion.

First, your concern about the distribution of revenues generated by a State-imposed utility tax is a matter of State law, and as such you may wish to raise it with your State representative.

Second, the U.S. policies governing the permanent disposal of high-level radioactive waste are defined in the Nuclear Waste Policy Act of 1982, as amended. Since 1982, the U.S. Department of Energy (DOE) has studied candidate sites for suitability in developing the geologic repository. In 2002, President Bush signed into law House Joint Resolution 87 (which became Public Law 107-200), which approved the site of a repository at Yucca Mountain in Nevada. In July of this past year, DOE announced plans to submit a license application to NRC by June 30, 2008, with a plan to initiate repository operations by 2017. NRC must decide whether the proposed repository will comply with the applicable safety standards and requirements. NRC has determined that spent nuclear fuel can be stored safely, either in spent fuel pools or in above-ground dry-cask storage systems that meet NRC's safety requirements until the Yucca Mountain repository is available. NRC has authorized dry-cask storage at nearly 40 sites around the country, and some of these storage facilities have been in service for almost 20 years.

Finally, you indicated that Dominion Energy is being forced to store additional spent nuclear fuel on site because of delays by the Federal government in accepting this spent nuclear fuel for permanent disposal. Current Federal regulations allow power plant reactor licensees to establish an interim spent fuel dry storage facility at the power plant site. Further, you indicated that Dominion is doing so without appropriate compensation. In this regard, several utilities have sought, or are in the process of seeking, compensation from DOE for these delays. The Federal court system is reviewing this matter.

We appreciate your interest in ensuring safe and secure storage of spent fuel. If you have any questions, please contact Stewart Brown of my staff at 301-492-3317 or SWB1@nrc.gov.

Sincerely,

/RA/
Michael F. Weber, Director
Office of Nuclear Material Safety
and Safeguards

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Michael F. Weber, Director
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