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PLEASE REPLY TO SEATTLE OFFICE

October 12, 1982

II
Dewey / Repka
Reis
FF

Lee Scott Dewey
Counsel for NRC Staff
Office of the Executive Legal Director
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Puget Sound Power & Light Company
Skagit/Hanford Nuclear Project
Docket Nos. STN 50-522 and STN 50-523

Dear Mr. Dewey:

For your information in connection with the proposed Exclusion Area Boundary for the above project, we are enclosing copies of (1) letter dated September 16, 1982 from Puget Power (Myers) to Department of Energy (Bracken) and its two enclosures, and (2) letter dated September 29, 1982 from Department of Energy (Bracken) to Puget Power (Myers).

Very truly yours,

PERKINS, COIE, STONE,
OLSEN & WILLIAMS

By *F. Theodore Thomsen*
F. Theodore Thomsen
Attorneys for Applicants

FTT:kd

Enclosures

cc: Calvin W. Moon
NRC Service List

PUGET POWER

RECEIVED

SEP 20 1982

PERKINS, COLE, STONE,
OLSEN & WILLIAMS

HILL-125-82

September 16, 1982

Department of Energy
Richland Operations Office
Attn: Kenneth W. Bracken, Director
Facilities & Site Services Division
P. O. Box 550
Richland, Washington 99352

Subject: Acquisition of Hanford Land for the
Skagit/Hanford Nuclear Project
NRC Docket Nos. STN-522 and STN-523

Gentlemen:

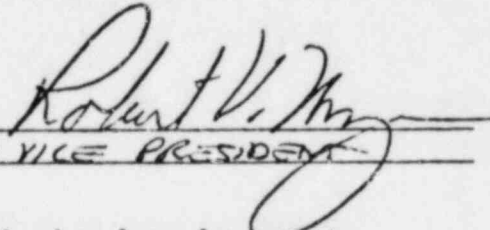
Reference is made to the negotiations between Puget Sound Power & Light Company (Puget Power) and the Department of Energy (DOE) relating to the purchase by Puget Power from DOE of a certain parcel of land situated on the Hanford Site in Benton County, Washington for use as a site for the proposed Skagit/Hanford Nuclear Project. In conjunction with the purchase of said parcel, Puget Power would also acquire from DOE certain easements and contract rights relating to various other areas of the Hanford Site. The latter would include certain rights with respect to an area called the "exclusion area" in the attached draft of the proposed "Exclusion Area Agreement", dated 11-6-81, revised 9-15-82. This draft, referred to herein as the "current draft", is the draft we discussed at our meeting on November 10, 1981 changed as marked. The most significant of these changes is the change in Article 1 wherein we have reduced the radius of the exclusion area from 1.9 miles to one (1) mile.

The purpose of this letter is to confirm our understanding that with the reduction of the radius of the exclusion area from 1.9 miles to one (1) mile, the provisions of the current draft of the Exclusion Area Agreement are acceptable to DOE, on the understanding, of course, that the various blanks remain to be appropriately filled in and that execution of this agreement is contingent upon Puget Power and DOE reaching final agreement on the purchase price and the other unresolved aspects of the proposed site acquisition. If our understanding is correct, we would appreciate receiving written confirmation of this

from DOE along the lines of the enclosed draft letter. We would like to be able to forward such a letter to the Nuclear Regulatory Commission in connection with the pending licensing proceeding for the Skagit/Hanford Nuclear Project to demonstrate that the provisions of the current draft of the Exclusion Area Agreement are acceptable to DOE as part of the proposed site acquisition.

Very truly yours,

PUGET SOUND POWER & LIGHT COMPANY

By 
Its VICE PRESIDENT

Enclosure: 1. Current draft of the Exclusion Area Agreement
2. Draft letter

cc: Clyde T. Fitz (Office of Chief Counsel, Department of Energy,
Richland Operations Office, P. O. Box 550
Richland, Washington 99352)

F. Theodore Thomsen

D R A F T
September 15, 1982

(DOE LETTERHEAD)

Puget Sound Power & Light Company
Attn: R. V. Myers, Vice President Generation Resources
Puget Power Building
Bellevue, Washington 98009

Subject: Acquisition of Hanford Land for the
Skagit/Hanford Nuclear Project
NRC Docket Nos. STN 50-522 and STN 50-523

Gentlemen:

As requested in your letter dated _____,
this will confirm that provisions of the attached current draft
of the Exclusion Area Agreement (dated 11-6-81, revised 9-15-82)
are acceptable to the Department of Energy as part of the proposed
acquisition by Puget Power of a site on the Hanford Site in
Benton County, Washington for the proposed Skagit/Hanford Nuclear
Project.

This is on the understanding, of course, that the various
blanks in the attached draft will be appropriately filled in prior
to execution and that execution of this agreement is contingent
upon Puget Power and DOE reaching final agreement on the purchase
price and the other unresolved aspects of the proposed site
acquisition.

Very truly yours,
DEPARTMENT OF ENERGY

By _____
Its _____

REVISED

~~H-6-81~~

9-15-82

Contract No. _____

Appendix "C"

EXCLUSION AREA AGREEMENT

This Agreement, made and entered into as of this ____ day of _____, 1981, by and between the UNITED STATES OF AMERICA (herein called the "Government"), acting by and through the UNITED STATES DEPARTMENT OF ENERGY (herein called "DOE", which term as used herein shall include the successor(s) of the Department of Energy), and PUGET SOUND POWER & LIGHT COMPANY, a Washington corporation, acting for itself and as agent for Portland General Electric Company, an Oregon corporation, Pacific Power & Light Company, a Maine corporation, and The Washington Water Power Company, a Washington corporation (said four corporations herein collectively called the "Companies");

WITNESSETH THAT:

WHEREAS, concurrently herewith the Companies are purchasing from the Government certain real property (herein called the

"Project Premises") situated on the Hanford Site in Benton County, Washington; and

WHEREAS, the Companies intend to construct and operate certain nuclear electric generating facilities (herein called the "Nuclear Project") on the Project Premises; and

WHEREAS, the Nuclear Project will be constructed and operated pursuant to permits and licenses to be issued by the United States Nuclear Regulatory Commission (herein called the "NRC"); and

WHEREAS, the regulations of the NRC (10 CFR 100.3(a)) require that the Companies have the authority to determine all activities including exclusion or removal of personnel and property from an area known as the "exclusion area";

NOW, THEREFORE, the parties hereto agree as follows:

1. The term "exclusion area" as used in this agreement means the area within the oval the perimeter of which is at all points ^{one (1)} ~~1/2~~ mile~~s~~ distant from the straight line between the two points located, respectively, at (1) Latitude _____ N, Longitude _____ W, and (2) Latitude _____ N, Longitude _____ W, as shown on the figure attached hereto as Exhibit A.

2. The Government hereby agrees that the Companies have the authority to determine all activities within the exclusion area within the meaning of 10 CFR 100.3(a), including the authority to remove all personnel and property from the area.

The Companies agree that they will exercise such authority in a manner so as not to preclude the Government from undertaking any action or activity within the exclusion area that is permissible under the provisions of 10 CFR 100.3(a). As used herein, the term "exclusion area" includes both the purchased and the nonpurchased portions of the exclusion area.

3. Government activities within the exclusion area include

In addition, rights of way and permits covering the following activities have been granted by the Government within the exclusion area:

(describe)

The Companies concur that all of these activities are permissible under 10 CFR 100.3(a). The Companies also concur that activities relating to the operation, maintenance, repair, and replacement of the foregoing are permissible under 10 CFR 100.3(a).

4. The Companies agree that if any of the activities identified in paragraph 3 above (or activities not specifically mentioned but in actual existence as of the date of execution of this agreement) are required to be relocated in order for the Companies to comply with NRC licensing or regulatory

requirements as to the Companies' projects, the Companies ^{shall} ~~agree~~ ~~to~~ pay the cost of such relocation.

5. Before undertaking any new activities within the exclusion area (including easements, permits, leases, etc.), the Government will consult with the Companies to determine whether such activity is permissible under 10 CFR 100.3(a).

6. The Government will, at the request of the Companies, make every effort to work out procedures to notify the Companies of access of the Government or its contractor employees into the exclusion area if such notification is required in order for the Companies to comply with licensing requirements. The Companies agree that they will work out notification procedures, if required, with the grantees or permittees of the rights of way and/or permits identified in paragraph 3 above. Such notification will not, in any event, be required prior to issuance of an operating license for the first unit.

7. This agreement does not convey any interest in any real property and the Companies agree that they will not construct any improvements upon or conduct any activities within the exclusion area except upon or within the Project Premises (the purchased portion of the exclusion area) or except as may be authorized or permitted under other easements, permits or agreements affecting the exclusion area.

IN WITNESS WHEREOF, the United States of America and the
Companies have caused this agreement to be executed by their
authorized representatives as of the date first above written.

UNITED STATES OF AMERICA
Department of Energy

By _____
Title _____

Puget Sound Power & Light Company

By _____
Title _____



cc: F. T. Thomsen
M. V. Stimac

Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

SEP 29 1982

Mr. R. V. Myers, Vice President
Generation Resources
Puget Sound Power & Light Company
Puget Power Building
Bellevue, Washington 98009

Dear Mr. Myers:

ACQUISITION OF HANFORD LAND FOR THE SKAGIT/HANFORD NUCLEAR PROJECT
NRC DOCKET NOS. STN 50-522 AND STN 50-523

As requested in your letter dated September 16, 1982, this will confirm that provisions of the current draft of the Exclusion Area Agreement (dated 11/6/81, revised 9/15/82) are acceptable to the Department of Energy as part of the proposed acquisition by Puget Power of a site on the Hanford Site in Benton County, Washington, for the proposed Skagit/Hanford Nuclear Project.

This is on the understanding, of course, that the various blanks in the subject draft will be appropriately filled in prior to execution, and that execution of this agreement is contingent upon Puget Power and DOE reaching final agreement on the purchase price and the other unresolved aspects of the proposed site acquisition.

Very truly yours,


Kenneth W. Bracken, Director
Facilities and Site Services Division

FSS:KWB

SKAGIT/HANFORD NUCLEAR PROJECT
NRC Service List
Docket Nos. STN 50-522 and STN 50-523

DATE October 12, 1982

COMMISSION

Secretary of the Commission
Docketing and Service Branch
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

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Washington, D.C. 20555

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General Counsel and Secretary
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