



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

February 11, 1983

Honorable Nunzio Palladino
Chairman
U.S. Nuclear Regulatory Commission
1717 H. St., N.W.
Washington, D.C. 20555

Dear Mr. Chairman:

As you are aware, Section 302(b) of the Nuclear Waste Policy Act of 1982 states that NRC shall not issue or renew a license for a nuclear power reactor unless the utility has signed a contract with the Department of Energy for disposal services, or the Secretary of Energy affirms in writing that a utility is actively and in good faith negotiating with the Department of Energy for a contract.

Since the Department has only begun the rulemaking procedure to develop the contract by publishing the standard draft contract in the Federal Register on February 4, 1983, utilities requiring NRC actions deemed to be an issuance or renewal of a license are not able to enter into disposal contracts at this time. We have identified five utilities facing this problem (Florida Power and Light, Duke Power, Southern California Edison, Middle South Services, Pacific Gas & Electric). The utilities have requested that the Secretary "affirm" that they are actively and in good faith negotiating with the Department for a disposal contract. We have concluded that, during the rulemaking process, the "actively and in good faith negotiations" standard can be met by specific, detailed comments on our proposed contract from a utility.

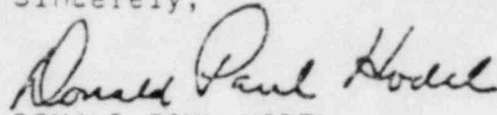
On a case-by-case basis for each utility listed above that so formally requests and provides sufficient comments on our draft disposal contract, I intend to issue a written affirmation to the Commission as provided for under the Act. As of this date, Southern California Edison, Florida Power and Light, and Duke Power Company have provided specific, detailed comments on our draft contract.

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Therefore, I hereby certify that Southern California Edison Company, Florida Power and Light Company, and Duke Power Company are actively and in good faith negotiating with the Department of Energy for a nuclear waste disposal contract.

Thank you for your assistance and cooperation.

Sincerely,


DONALD PAUL HODEL