

VIRGINIA ELECTRIC AND POWER COMPANY
RICHMOND, VIRGINIA 23261

W. L. STEWART
VICE PRESIDENT
NUCLEAR OPERATIONS

April 8, 1983

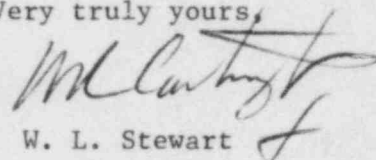
Mr. Harold R. Denton, Director
Office of Nuclear Reactor Regulation
Attn: Mr. Darrell G. Eisenhut, Director
Division of Licensing
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Serial No. 212
NO/JHL:acm
Docket Nos. 50-338
50-339
License Nos. NPF-4
NPF-7

Gentlemen:

In Amendment Nos. 45 and 28 to the North Anna 1 and 2 Operating Licenses, dated January 27, 1983, you specified that Vepco should be pursuing with the Secretary of Energy an agreement for the disposal of high-level radioactive waste and spent nuclear fuel. In accordance with the requirements of P. L. 97-425, Vepco is currently pursuing such an agreement, and in fact is working with the Department of Energy to finalize this agreement. We have attached our correspondence to date with the Department of Energy on this subject. We are working diligently to complete this agreement by June 1, 1983, but no later than June 30, 1983, as is required by P. L. 97-425.

Very truly yours,


W. L. Stewart

Attachments

cc: Mr. Robert A. Clark, Chief
Operating Reactors Branch No. 3
Division of Licensing

A001

March 7, 1983

Mr. Robert Morgan
Project Director
Nuclear Waste Policy Act Project Office
U. S. Department of Energy
1000 Independence Avenue, S.W.
Room 7B-084
Washington, D.C. 20585

Dear Mr. Morgan:

COMMENTS ON THE DRAFT DOE CONTRACT FOR DISPOSAL OF SPENT
NUCLEAR FUEL AND/OR HIGH-LEVEL RADIOACTIVE WASTE

In accordance with the Federal Register notice of February 4, 1983, Virginia Electric and Power Company (Vepco) is pleased to offer the following comments on the draft Department of Energy (DOE) Contract For Disposal of Spent Nuclear Fuel and/or High-level Radioactive Waste.

Vepco endorses the comments also being submitted on March 7, 1983 by the Edison Electric Institute (EEI). In particular, Vepco strongly concurs with the following EEI comments:

1. The scope of services to be provided by DOE needs to be more clearly defined to include delivery, acceptance of title, transportation and disposal of spent nuclear fuel and/or high level radioactive waste. (Articles II and V.B.1)
2. The specific classifications for spent nuclear fuel should not be established at this time since the types and condition of fuel at the time of disposal cannot now be accurately predicted. Also, detailed inspection requirements for spent nuclear fuel should not be specified at this time, and leak testing of spent nuclear fuel is not required to determine its condition. Only two classifications of spent nuclear fuel are necessary: fuel that has to be canned and fuel that does not. (Article VI.A.4 and Appendices E and F)
3. Provisions need to be added to the contract which would allow Purchasers to exchange allocated disposal services. (Article IV.B)
4. DOE must provide nuclear hazards indemnity to Purchasers if it does not use contractors for transportation of spent nuclear fuel or operation of the disposal facility. (Article XIV)

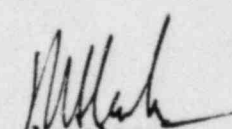
5. DOE must provide protection for Purchasers against non-nuclear risks and should agree to indemnify Purchasers against any such liability. An appropriate contract clause is being suggested by EEI.
6. The contract needs to provide that neither DOE nor Purchasers are liable for consequential damages. An appropriate contract clause is being suggested by EEI.

Further, Vepco offers the additional comments in the Attachment hereto. These comments address specific Vepco concerns related to:

1. The extent of required DOE verification of spent nuclear fuel packaging. (Article VI.B.1)
2. The fee and payment method for in-core fuel as of April 7, 1983 and irradiated fuel in storage which will be reinserted into the core. (Article VIII.A.4)
3. Purchaser should receive credits from DOE to the extent that significant identifiable costs savings are accrued by DOE as the result of specific actions taken by Purchaser, at Purchaser's expense.

If you have any questions, please contact me at (804) 771-6775.

Very truly yours,


R. H. Leasburg
Vice President
Power Station Construction

Attachment

cc: Mr. Jeff Hill, Office of Management and Budget

bc: Mr. J. H. Ferguson
Mr. J. I. Oatts
Mr. S. C. Brown, Jr.
Mr. B. D. Johnson
Mr. O. J. Peterson
Mr. W. N. Thomas
Mr. W. L. Stewart
Dr. J. T. Rhodes
Mr. W. C. Spencer
Mr. D. R. Hostetler

Mr. H. M. Wilson, Jr.
Mr. W. R. Benthall
Mr. M. L. Smith
Mr. B. H. Wakeman
M. W. Maupin, Esq.
NPS File: 20.5.A.1
Central File
Chronological File

ATTACHMENT

1. The requirement for DOE verification of spent nuclear fuel packaging prior to acceptance by DOE should allow for packaging well in advance of DOE acceptance. For instance, Purchaser may be using dry storage casks for interim storage of spent nuclear fuel and may be able to deliver these casks to DOE for transportation and disposal of the spent nuclear fuel. DOE and Purchaser should not be required to open storage casks to physically verify the condition of the spent nuclear fuel if they can sufficiently document that its condition is acceptable. (Article VI.B.1).
2. The fee for in-core fuel (and irradiated fuel in storage that will be reinserted into the core) should be equivalent to 1 Mill/KwHr as calculated against the actual burnup of individual assemblies as of April 7, 1983. (See the formula provided as Alternative 2 on pages 5459 and 5460 of the Federal Register dated February 4, 1983.) The total liability for this fee should then be fixed, and the provisions governing escalation and payment for this fee should be the same as those established for permanently discharged fuel. (See also EET comments on fee escalation and payment method for fuel discharged as of April 7, 1983.) (Article VIII.A.4)
3. DOE should be permitted, at their discretion, to award credits to a Purchaser to the extent that Purchaser, at its expense, takes specific actions that provide significant identifiable cost savings to be accrued to DOE. The contract should contain a provision that permits DOE to award such credits should they elect to do so. For instance, DOE may be able to transport Purchaser's spent nuclear fuel in Purchaser's dry storage casks, thereby saving the cost of using a transportation cask. Also, Purchaser may provide DOE with consolidated spent nuclear fuel, thereby reducing the volume of Purchaser's spent nuclear fuel that DOE has to transport and dispose.

March 7, 1983

U. S. Department of Energy
Procurement and Assistance Management Directorate
Office of Procurement Operations
ATTN: Ms. Jan Atkinson
Washington, D.C. 20585

Dear Ms. Atkinson:

ADMINISTRATIVE INFORMATION FOR DOE SPENT
NUCLEAR FUEL DISPOSAL SERVICES CONTRACT

In accordance with Mr. H. J. Rauch's letter of February 14, 1983, the following administrative information is provided by Virginia Electric and Power Company (Vepco) to facilitate signing of a spent nuclear fuel disposal services contract by June 30, 1983, as stipulated in the Nuclear Waste Policy Act of 1983.

1. Mr. J. H. Ferguson, Executive Vice President and Chief Operating Officer is the individual currently authorized to sign this contract for Vepco.
2. I am the designated contact for discussions related to the contract. All correspondence to Vepco on the contract should be addressed to me. Also please send a copy to Mr. H. M. Wilson, Jr., Manager, Fuel Resources. My telephone number is (804) 771-6775. Vepco's mailing address is:

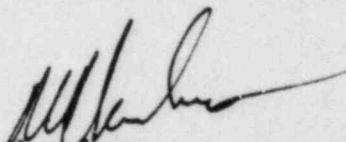
Virginia Electric and Power Company
Post Office Box 26666
Richmond, Virginia 23261

3. Assuming the DOE contract will become final by April 1, 1983, the earliest date upon which we believe the signed contract can be returned to DOE is June 1, 1983.

4. Vapco is prepared to continue its contract negotiations with DOE at the earliest opportunity and we look forward to working with DOE.

If you have any questions, please contact me.

Very truly yours,


R. H. Leeburg
Vice President
Power Station Construction

cc: Mr. J. H. Ferguson
Mr. S. C. Brown, Jr.
Mr. J. I. Oatts
Mr. W. C. Spencer
Mr. W. L. Stewart
Mr. W. N. Thomas
Mr. H. M. Wilson, Jr.
Mr. W. R. Benthall
Mr. M. L. Smith
E. B. Brasfield, Esq.
M. W. Maupin, Esq.
NFS File: 20.5.A.1
Central File
Chronological File

108p20.5albhws