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October 13, 1983

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DIRECT DIAL NO. 804 788-

Honorable Sheldon J. Wolfe
Atomic Safety and Licensing
Board Panel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

DOCKET NUMBER
PROD. & UTIL. FAC. 50-338,339-OLA-1

DOCKET NUMBER
PROD. & UTIL. FAC. 50-338,339-OLA-2

Virginia Electric and Power Company
OLA-1 and OLA-2

Dear Judge Wolfe:

In the Applications filed by Virginia Electric and Power Company (Vepco) in these proceedings, Vepco estimated that it would lose full core discharge capability at Surry "as early as the fall of 1984." This letter will bring you up to date on the status of Vepco's full core reserve at Surry.

At the time the Applications were filed, Vepco had ahead of it four refueling outages (two at each Surry Unit), including the late 1984 outage at which it was estimated that full core reserve would be lost. Changes in operating schedules and cycle energy requirements, combined with the appearance of defective fuel in a recently completed Surry operating cycle, caused minor adjustments in the Company's reload plans after the Applications were filed. As a result, as recently as a month ago, Vepco estimated that it would lose full core reserve at the Surry Station in early 1985, by two fuel assemblies.

Still more recently Vepco completed back-to-back refuelings of Surry Units 1 and 2 and, in that connection, undertook a reevaluation of its core design and fuel requirements for the next two outages, scheduled for late 1984 and early 1985. Vepco has now completed the reevaluation. It indicates that Vepco will not lose full core reserve during the outage scheduled for early 1985 after all, but will lose it instead during the Surry Unit 1 outage scheduled for early 1986. This conclusion assumes, of course, that Vepco's fuel will perform properly during future operating cycles. If additional fuel proves to be defective, it could cause a substantial revision in this estimate.

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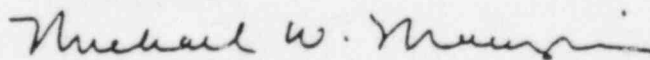
Page 2

It is important to emphasize that a one-year delay in the loss of full core reserve does not mean that Vepco may postpone the commencement of its shipping program for a year. Had Vepco's most recent prior estimate--that it would lose full core reserve in early 1985 by only two assemblies--been correct, Vepco would have wanted to begin shipping Surry fuel to North Anna in the fall of 1984. If necessary, it could have waited until just before the early 1985 outage to begin shipping, but this would have left no time for dealing with unexpected developments should they have arisen. Under its new estimate, Vepco will lose full core reserve in early 1986 by 58 assemblies and, in the fall of 1986, by an additional 61 assemblies, unless it provides more storage space for Surry fuel. In order (a) to ensure that a sufficient number of assemblies is removed from the Surry pool prior to the early 1986 outage, (b) to avoid shipping during bad weather or while an outage is underway at one of Vepco's nuclear units and (c) to provide for contingencies, Vepco ought to begin shipping Surry fuel to North Anna by the summer of 1985. In short, the one-year delay in the loss of full core reserve translates into a much smaller change in the time when the Surry-to-North Anna shipping campaign ought to begin.

There is another development that might affect loss of full core reserve at Surry. Pursuant to the Nuclear Waste Policy Act, the Department of Energy (DOE) solicited proposals for a dry cask demonstration program. In August 1983, Vepco submitted a proposal recommending, among other things, that it ship Surry spent fuel assemblies to a federal site for dry cask storage and for certain research and monitoring work. DOE has recently announced that it will enter into negotiations with Vepco with the object of reaching agreement on such a demonstration project. It is too early to predict precisely what DOE and Vepco might agree upon. But if such a program is implemented by the parties, it could further affect the loss of full core reserve at Surry.

If you have any questions on these developments, I shall be happy to answer them.

Sincerely,


Michael W. Maupin

HUNTON & WILLIAMS

Honorable Sheldon J. Wolfe
October 13, 1983
Page 3

cc: Honorable Jerry Kline
Honorable George A. Ferguson
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James B. Dougherty, Esq.
Atomic Safety and Licensing Board Panel
Atomic Safety and Licensing Appeal Board
Secretary, U.S. Nuclear Regulatory Commission
Attention: Chief, Docketing and Service
Section