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September 29, 1983

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

Richard P. Wilson, Esq.
Assistant Attorney General
State of South Carolina
P. O. Box 11549
Columbia, South Carolina 29211

RE: Duke Power Company
Catawba Nuclear Station
Units 1 and 2
Docket Nos. 50-413 and 50-414

Dear Mr. Wilson:

This will acknowledge your letter of August 16, 1983 to Al Carr requesting information regarding Duke's spent fuel management plans. As you are aware, the basic plans were placed in the public record during the litigation involving the Oconee-McGuire transshipment proceeding, and were further discussed in a statement given in February 1983 by A. C. Thies to the South Carolina Joint Executive - Legislative Committee to Consult on Away-From-Reactor Storage, as well as in a letter of April 22, 1983 from W. S. Lee to Governor Riley.

Over the last several years, Duke has attempted to stay ahead of its increasing need for spent fuel storage capacity, which has resulted in large part out of changing national policy, through a combination of spent fuel pool physical expansion, reracking, and transshipment. All of these actions have been taken with due regard for the safety of the public and the economic impact on our ratepayers.

Because of past uncertainties in Federal actions regarding the "back end" of the fuel cycle, Duke has believed it to be prudent to provide for on-system spent fuel storage well into the future. Consistent with that aim, we have modified, through two reracks, the Oconee 1 and 2 spent fuel pool, and have reracked once the Oconee 3 spent fuel pool. However, as you can appreciate, the area of spent fuel storage is a changing and dynamic one. In addition to uncertainties in Federal actions, reactor operating schedules change, changes in fuel cycle lengths increase or reduce anticipated fuel discharges; and new spent fuel storage technologies are developed. Therefore, for the long range it is difficult to predict the precise mix of options Duke will adopt. In our view, it is necessary as we move forward to keep open the maximum number of options, so sufficient flexibility exists to take advantage of changing situations.

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Consistent with this philosophy, Duke will continue to keep abreast of, and, where appropriate, to contribute to the development of, advanced spent fuel storage technologies. At the same time, we intend to keep all safe and economical alternatives for future storage needs open to the maximum extent practicable.

Duke's current situation is as follows: We are proceeding with what should be the final reracking of the Oconee Unit 3 pool, which will extend full core reserve capability at Oconee to the year 1992. Present pool capacity at McGuire will provide full core discharge reserve until 1990. Given the Nuclear Waste Policy Act's stated expectation that a Federal spent fuel repository be available by 1998, it is clear that additional storage capacity must be provided for these two stations.

For Oconee, further reracking is not a practical alternative; therefore, Oconee storage beyond 1992 will require either transshipment, the construction of an independent pool on-site, or the use on-site of some other storage technique.

In the case of McGuire, further reracking is a viable alternative. Indeed, management approval for the rerack of both the Units 1 and 2 pools has been granted. These rerackings are targeted for completion by early 1986. Based on current estimates of the reracked capacity of the McGuire pools, full core reserve capacity would not be lost until after the 1998 date mandated by the Nuclear Waste Policy Act for federal spent fuel repository availability. If reracking of the McGuire pools can be accomplished on the above schedule, and given a federal repository receiving spent fuel, it should not be necessary in the future to transship fuel from McGuire to Catawba.

Present pool capacity at Catawba will provide for full core reserve until the year 2009, assuming no reracking of the pools and no transshipments from any other station on Duke's system.

As noted above, Duke has studied, and continues to study, a number of developing storage technologies for possible application for future storage needs. Indeed, in November 1982, Duke, participating in a joint effort with Westinghouse Electric Corporation, successfully demonstrated the technique of rod consolidation on four spent fuel assemblies at the Oconee Nuclear Station. Although some mechanical problems were encountered, we did consolidate fuel assemblies and we feel confident that, depending on economics, this technology can play an important role in enabling utilities to handle their spent fuel storage needs on an interim basis. In any event, we plan to continue to pursue safe, environmentally acceptable alternatives which reflect current economics until the projected availability of permanent disposal facilities.

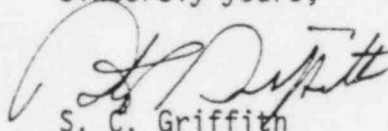
In summary, if current Duke plans for reracking of the Oconee 3 and both McGuire spent fuel pools are accomplished on schedule, and assuming the Federal repository program can provide ultimate disposal capability by

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about the turn of the century, Duke will continue to evaluate ways to provide additional onsite storage capacity for Oconee Nuclear Station beyond the year 1992. At present, we believe it prudent to maintain the option to transship to Catawba. In the final analysis, however, any future decision to begin shipments to Catawba will involve an evaluation between transshipment and other storage options and technologies, weighing public health and safety, environmental acceptability, and cost. Nevertheless, all else being equal, our preference is to manage spent fuel at each reactor site.

Should Duke elect to utilize Catawba for storage of non-Catawba spent fuel, we firmly believe that such is a safe and prudent option. Years of successful experience nationwide, coupled with the current framework of packaging and transport regulations, have demonstrated that transshipment is a safe and environmentally acceptable option. And, as you know, should Duke choose to use the transshipment option to store fuel from Oconee and/or McGuire at Catawba, all transportation activities will be conducted within the scope of Summary Table S-4, "Environmental Impact of Transportation of Fuel and Waste To and From One Light-Water Cooled Nuclear Power Reactor", as found in 10 CFR Part 51.

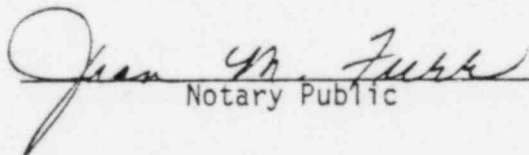
Sincerely yours,



S. C. Griffith
Senior Vice President & General Counsel

c: Service List

SWORN TO AND SUBSCRIBED before me, this 29th day of September, 1983


Notary Public

My commission expires: 10-27-85