

November 2, 1999

U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852-2738

Attn: Document Control Desk

Subject: Conditions for Exemption from 10 CFR 72.234(c) for the NAC-MPC (Docket 72-1025) at Yankee Rowe (TAC No. L22957)

- References:
1. Letter, Exemption from 10 CFR 72.234(c) for the NAC Multi-Purpose Canister Storage System, Docket 72-1025, USNRC, October 8, 1999
 2. Letter, Start of Fabrication of the First NAC-MPC Spent Fuel Storage System (Docket No. 72-1025), NAC International, August 18, 1999
 3. Letter, Request for Exemption to 10 CFR 72.234(c) for the NAC-MPC (Docket No. 72-1025) at Yankee Rowe (Docket No. 72-31), NAC International, August 2, 1999

In Reference 3, NAC International (NAC) requested an Exemption to 10 CFR 72.234(c) to permit the fabrication of NAC-MPC Storage System components for use at the Yankee Nuclear Power Station located in Rowe, MA, prior to receipt of the Certificate of Compliance for the system. Reference 1 granted the requested exemption subject to five conditions. This letter documents NAC's compliance with those five conditions.

Condition a)

Fifteen MPC transportable storage canisters, 15 MPC vertical concrete casks, and 1 MPC transfer cask may be constructed under NAC's approved QA program or an NRC-approved 10 CFR Part 50, Appendix B, QA program.

NAC Response:

The NAC Quality Assurance Program is applied to the procurement and fabrication of the 15 TSCs, 15 VCCs, and 1 transfer cask by Section 11 of the NAC Procurement and Fabrication Specifications for each of the components, which are included in the NAC Purchase Order to the fabricators.

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Condition b)

In accordance with 10 CFR 72.232(a), NAC shall permit and make provisions for the Commission to inspect the premises and facilities at which the MPC canisters and casks will be fabricated and tested. This condition shall be completed prior to any fabrication activities under this exemption.

NAC Response:

For each of the NAC-MPC components, Section 11.2 of the NAC Procurement and Fabrication Specifications, which are included in the NAC Purchase Order to the fabricators, specifies that free access to all work and record maintenance areas be provided for the U.S. NRC, NAC, and NAC customers. The NAC Purchase Order(s) will be in place prior to any fabrication activities.

Condition c)

NAC shall notify NRC at least 45 days prior to fabrication of the first canister or cask.

NAC Response:

NAC provided notification by letters to the U.S. NRC of: (1) the start of fabrication of the first NAC-MPC Spent Fuel Storage System dated August 18, 1999; and (2) the start of fabrication of the first Transportable Storage Canister for use in the NAC-STC Cask dated August 24, 1999. Material procurement will be initiated in November 1999, followed by actual fabrication activities in early 2000.

Condition d)

In accordance with 10 CFR 72.232(b), NAC shall make provisions that permit the Commission to perform tests that it deems necessary or appropriate for the administration of the regulations of 10 CFR Part 72.

NAC Response:

For each of the NAC-MPC components, Section 11 of the NAC Procurement and Fabrication Specifications, which are included in the NAC Purchase Order to the fabricators, specifies that free access, inspection, and testing must be provided as required by the U.S. NRC, NAC, or NAC customers to assess compliance with the Purchase Order, Specification, and the licensing documents. NAC states the specific commitment to facilitate NRC inspections in the third to last paragraph of the Reference 3 letter that requested the fabrication exemption.

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Condition e)

Any procurement activities for the MPC canisters and casks prior to NRC action on the MPC application for a CoC, is at NAC's own risk. NAC shall bear the risk of any activities conducted under this exemption, including the risk that the casks may require modifications or that the casks will not be usable because they do not meet specifications or conditions in a CoC that the NRC may ultimately approve.

NAC Response:

NAC understands and accepts the risk associated with all of the fabrication activities conducted under this exemption. This understanding was also stated in the sixth paragraph of the Reference 3 letter that requested the fabrication exemption.

The pertinent information on the NAC-MPC steel component fabricators and the VCC concrete constructor will be provided to the NRC as soon as those contract negotiations are completed.

If you have any comments or questions, please contact me or Curt Lindner at (770) 447-1144.

Sincerely,



Thomas C. Thompson
Director, Licensing & Competitive Assessment
Engineering & Design Services

cc:	E.W. Brach	(NRC-NMSS)
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