



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

February 26, 2000

Mr. Brian Gutherman
Licensing Manager
Holtec International
Holtec Center
555 Lincoln Drive West
Marlton, NJ 08053

SUBJECT: EXEMPTION FROM 10 CFR 72.234(c) FOR THE HI-STORM 100 SYSTEM,
DOCKET 72-1014 (TAC NO. L23035)

Dear Mr. Gutherman:

By letter dated January 12, 2000, and pursuant to the provisions of 10 CFR Part 72.7, Holtec International (Holtec) requested an exemption from 10 CFR 72.234(c). Holtec requested permission to begin fabrication activities for three HI-STORM 100 overpacks and one HI-TRAC-125 transfer cask prior to issuance of the Certificate of Compliance (CoC). The HI-STORM 100 overpack and the HI-TRAC-125 transfer cask are basic components of the HI-STORM 100 system. Holtec submitted an application for a HI-STORM 100 cask system CoC to the U.S. Nuclear Regulatory Commission (NRC) on October 26, 1995, as supplemented.

Holtec is a vendor to Southern Nuclear Operating Company for supplying three HI-STORM 100 overpacks and one HI-TRAC-125 transfer cask for the Edwin I. Hatch Nuclear Power Plant (Hatch), located in Baxley, Georgia. Hatch plans to begin loading the three HI-STORM 100 systems in April 2001. Holtec has requested this exemption to allow Hatch sufficient time for training and pre-operational testing. To support Hatch's cask loading schedule, Holtec stated that it must begin fabrication activities in early April 2000; three months prior to the scheduled issuance of the HI-STORM 100 CoC, in July 2000.

Holtec has established a Quality Assurance (QA) Program that includes specific QA requirements for procurement and fabrication of items and activities important to safety. The HI-STORM overpacks fabricated for use at Hatch will not be used for storage of spent fuel until the CoC is issued. Moreover, Hatch must also assure under its QA Program that the three HI-STORM 100 overpacks and one HI-TRAC-125 transfer cask are fabricated in conformance with the CoC as issued.

The NRC staff evaluated the public health and safety and environmental impacts of the proposed exemption and determined that granting the exemption would not result in any significant impacts. For this action, an Environmental Assessment and Finding of No Significant Impact have been prepared and published in the Federal Register (65 FR 7575, February 15, 2000). An advance copy of the Federal Register Notice was provided to you by letter dated February 8, 2000.

NRC approval of this exemption request shall not be construed as NRC's favorable consideration of Holtec's application for a CoC. Holtec shall bear the risk of all activities conducted under this exemption.

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Based on the foregoing considerations, the staff determined that granting the proposed exemption from the requirements of 10 CFR 72.234(c) to permit fabrication of three HI-STORM 100 overpacks and one HI-TRAC-125 transfer cask is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest. Holtec is hereby granted an exemption, subject to the following conditions:

- 1) Holtec shall apply its QA Program for fabrication of the HI-STORM 100 overpacks and HI-TRAC-125 transfer cask addressed by this exemption in compliance with the requirements of 10 CFR Part 72, Subpart G.
- 2) Holtec shall make provisions for NRC to inspect the premises and facilities at which the HI-STORM 100 system components will be fabricated and tested in accordance with 10 CFR Part 72. This condition shall be completed before any fabrication activities under this exemption.
- 3) Holtec shall notify NRC at least 45 days before fabrication of the first HI-STORM 100 overpack and HI-TRAC-125 transfer cask.
- 4) Holtec shall make provisions for NRC to perform any tests that it deems necessary or appropriate for assessing compliance with the requirements of 10 CFR Part 72.
- 5) Holtec shall bear the risk of any activities conducted under this exemption, including the risk that the HI-STORM 100 overpacks or the HI-TRAC-125 transfer cask may require modification, or that the components may not be useable as a result of not meeting specifications or conditions delineated in a HI-STORM 100 system CoC that NRC may ultimately issue.

Please refer to Docket 72-1014 and TAC No. L23035 in future correspondence related to this action.

Sincerely,

/RA/

E. William Brach, Director
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards

9/25

Docket Nos.: 72-1014, 72-36

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February 26, 2000

Based on the foregoing considerations, the staff determined that granting the proposed exemption from the requirements of 10 CFR 72.234(c) to permit fabrication of three HI-STORM 100 overpacks and one HI-TRAC-125 transfer cask is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest. Holtec is hereby granted an exemption, subject to the following conditions:

- 1) Holtec shall apply its QA Program for fabrication of the HI-STORM 100 overpacks and HI-TRAC-125 transfer cask addressed by this exemption in compliance with the requirements of 10 CFR Part 72, Subpart G.
- 2) Holtec shall make provisions for NRC to inspect the premises and facilities at which the HI-STORM 100 system components will be fabricated and tested in accordance with 10 CFR Part 72. This condition shall be completed before any fabrication activities under this exemption.
- 3) Holtec shall notify NRC at least 45 days before fabrication of the first HI-STORM 100 overpack and HI-TRAC-125 transfer cask.
- 4) Holtec shall make provisions for NRC to perform any tests that it deems necessary or appropriate for assessing compliance with the requirements of 10 CFR Part 72.
- 5) Holtec shall bear the risk of any activities conducted under this exemption, including the risk that the HI-STORM 100 overpacks or the HI-TRAC-125 transfer cask may require modification, or that the components may not be useable as a result of not meeting specifications or conditions delineated in a HI-STORM 100 system CoC that NRC may ultimately issue.

Please refer to Docket 72-1014 and TAC No. L23035 in future correspondence related to this action.

Sincerely,



E. William Brach, Director
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards

Docket Nos.: 72-1014, 72-36

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