

August 16, 2005

Ms. Marilyn Kray
Vice President, Special Projects
Exelon Generation
200 Exelon Way, KSA3-E
Kennett Square, PA 19348

Dear Ms. Kray:

On September 25, 2003, Exelon Generation Company, LLC (Exelon) submitted its application for an early site permit (ESP) in accordance with Subpart A of Part 52 of Title 10 of the *Code of Federal Regulations* (10 CFR). On October 27, 2003, the U.S. Nuclear Regulatory Commission (NRC) staff formally accepted the application and transmitted the NRC's planned review schedule for the application. On November 15, 2004, the staff provided you with an update to the planned review schedule. This letter updates you on the progress of the review and identifies revised schedule targets for the remainder of the review (see enclosure).

The review schedule reflects the effort to complete the environmental and safety reviews for the Exelon ESP application. An estimate of the dates for the mandatory hearing and Commission's final decision is also provided in the enclosed schedule; however, these schedules are not within the staff's control. The staff may be able to improve on that schedule if the review progresses more quickly than planned.

With regard to the review of the site safety portion of Exelon's ESP application, the staff issued the draft safety evaluation report (SER) on February 10, 2005. The draft SER did not include the staff's technical evaluation of seismology and geology because the Exelon ESP application included a previously unreviewed performance-based methodology for determining the safe shutdown earthquake (SSE) for the Exelon ESP site. In the November 15, 2004, letter, the staff indicated that it would need additional time to review this new methodology including additional information the staff requested but had not yet received from Exelon. In addition, the staff indicated that this would likely result in a delay in issuance of the final SER. Exelon provided the additional information on October 11, 2004. Exelon supplemented this information with additional details regarding the performance-based methodology on November 19, 2004, and with an Exelon site-specific seismic risk calculation on March 16, 2005.

By letter dated February 10, 2005, the staff indicated its plans to issue a supplemental draft SER, summarizing the results of its technical evaluation of this new methodology, by May 31, 2005. However, because of the complexities associated with this first-of-a-kind review, the staff was unable to complete the supplemental draft SER by May 31, 2005. The enclosed schedule includes a new date of August 26, 2005.

With regard to the review of the environmental portion of Exelon's ESP application, the staff issued the draft environmental impact statement (EIS) for the Exelon ESP in March 2005. The comment period ended on May 25, 2005. In addition to reviewing the Exelon ESP application, the staff is also reviewing ESP applications from Dominion Nuclear North Anna, LLC (Dominion) and System Energy Resources, Inc. (SERI). In the case of the Dominion review, more than 1300 people provided approximately 7000 comments on the draft EIS. The number of public comments significantly exceeded what had been planned for in the previous schedule. The level of stakeholder participation for the Dominion draft EIS led the staff to determine that additional resources and time are needed to consider the public comments and to complete the Dominion environmental review. Therefore, the staff expects to delay the issuance of the Dominion final EIS by four months. The resources devoted to the Dominion review have had an effect on the review schedules for the Exelon and SERI ESP applications, as common issues are being resolved and key members of the environmental review teams are being used on multiple ESP applications. The NRC staff expects that much of the experience gained from its review of the Dominion ESP application (e.g., comment responses, changes resulting from final internal review) will be applicable to the review of the Exelon and SERI ESP applications.

The NRC staff developed an integrated environmental review schedule for the first-of-a-kind ESP applications concurrent with license renewal reviews, extended power uprate reviews and other operating reactor licensing actions. The staff planned and scheduled the ESP application reviews reflecting applicants' fulfillment of schedule commitments and staggered the review schedules of the three ESP applications in an attempt to ensure that (1) experience from the initial review would be incorporated into the subsequent reviews, (2) reviews are consistent, and (3) resources are effectively utilized. Consequently, the Exelon ESP application review schedule depended, in part, on the successful implementation of the Dominion ESP application review.

The Commission places a high value on establishing and maintaining stable and predictable regulatory programs for licensing and inspecting new nuclear plants, including the review of ESPs. Based on the lessons-learned from the three ongoing ESP reviews, the staff is taking additional actions to limit future scheduling delays. Actions include developing a database of public comment responses and obtaining additional contractor support.

M. Kray

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The NRC staff discussed these schedule changes with your staff in phone conferences on May 24, 2005, and August 16, 2005. If you have any questions or comments concerning this matter, you may contact Thomas J. Kenyon at (301) 415-1120 or tjk2@nrc.gov, or John Segala at (301) 415-1858 or jps1@nrc.gov.

Sincerely,

/RA L. Dudes for:/

William D. Beckner, Program Director
New, Research and Test Reactors Program
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Docket No. 52-007

Enclosure: As stated

cc: See next page

M. Kray

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William D. Beckner, Program Director
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*See previous concurrence

ADAMS ACCESSION NUMBER: ML051540054

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NAME-	JSegala	TKenyon*	KManoly*	AKugler*	LDudes*	AHodgdon*	WBeckner-LDudes for:
DATE	07/18/05	07/13/05	06/06/05	07/13/05	07/13/05	07/18/05	/ /05

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**Review Schedule for Exelon Early Site Permit (ESP) Application
for the Exelon ESP Site**

Milestone	Completion Date (Actual - A, Target - T)
Receive early site permit application	09/25/03 - A
Press Release announcing receipt and availability	10/15/03 - A
Federal Register notice (FRN) published for receipt and availability	10/24/03 - A
FRN published announcing acceptance	10/31/03 - A
FRN published for Notice of Intent (environmental scoping process)	11/25/03 - A
Press Release announcing acceptance & notice of hearing	12/10/03 - A
FRN published for mandatory hearing	12/12/03 - A
Environmental scoping meeting	12/18/03 - A
Scoping period ends	01/09/04 - A
Deadline for filing petitions for intervention	01/12/04 - A
1st inspection complete	01/30/04 - A
Environmental requests for additional information (RAIs) issued to applicant	05/14/04 - A
Applicant submits response to environmental RAIs	07/23/04 - A
Safety and emergency planning (EP) RAIs issued to the applicant	07/27/04 - A
Applicant submits responses to safety and EP RAIs	10/12/04 - A
Draft safety evaluation report (SER) issued	02/10/05 - A
Draft environmental impact statement (EIS) to EPA, Issue Notice of Availability	03/02/05 - A
Public meeting to discuss draft EIS	04/19/05 - A
Applicant submits responses to SER open items	04/26/05 - A
2nd inspection complete	05/19/05 - A
End of draft EIS comment period	05/25/05 - A
Optional final inspection complete	N/A*
Regional Administrator's Letter	N/A*
Supplemental draft SER issued	08/26/05 - T
ACRS subcommittee meeting on draft SER	09/07/05 - T
ACRS full committee meeting on draft SER	09/08/05 - T
ACRS interim letter to Commission	09/28/05 - T
Applicant submits responses to supplemental draft SER open items	10/31/05 - T
Applicant submits the final ESP application revision	11/21/05 - T
Final SER issued	02/17/06 - T
ACRS subcommittee meeting on final SER	03/08/06 - T
ACRS full committee meeting on final SER	03/09/06 - T
ACRS letter to Commission	03/30/06 - T
Final SER issued as NUREG	05/01/06 - T
Final EIS issued to EPA/Issue Notice of Availability	07/28/06 - T
Atomic Safety and Licensing Board (ASLB) initial decision	01/07 - T
Commission decision	05/07 - T

* Optional final inspection and regional administrator's letter not needed.

Enclosure

Enclosure

Exelon ESP

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